



**Joint Budget Committee**

# **Supplemental Budget Requests FY 2026-27**

**Department of Personnel  
Statewide Operating Common Policies**

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January 13, 2026

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# Statewide Operating Common Policies Overview

Operating common policies refer to several statewide services provided by the Department of Personnel (DPA). Departments' requests reflect the estimated funding required to pay DPA for services through several common line items, often located in a department's administrative section (e.g. Executive Director's Office). DPA uses reappropriated funds received from billing other agencies for services. The amounts for operating common policies are calculated by DPA and are based on estimated program need for the fiscal year. The Joint Budget Committee reviews and establishes the appropriations for these statewide services.

# Summary of Staff Recommendations

## FY 2024-25 Summary

### Department of Personnel: Recommended Changes for FY 2024-25

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$285,346,531	\$40,047,001	\$24,388,762	\$220,910,768	\$0	518.3
Current FY 2024-25 Appropriation	\$285,346,531	\$40,047,001	\$24,388,762	\$220,910,768	\$0	518.3
Recommended Changes						
Current FY 2024-25 Appropriation	\$285,346,531	40,047,001	\$24,388,762	\$220,910,768	\$0	518.3
S1 Printing services true-up	353,028	0	0	353,028	0	0.0
Recommended FY 2024-25 Appropriation	\$285,699,559	\$40,047,001	\$24,388,762	\$221,263,796	\$0	518.3
Recommended Increase/-Decrease from 2024-25	\$353,028	\$0	\$0	\$353,028	\$0	0.0
Percentage Change	0.1%	0.0%	0.0%	0.2%	0.0%	0.0%
FY 2024-25 Executive Request	\$285,346,531	\$40,047,001	\$24,388,762	\$220,910,768	\$0	518.3
Staff Rec. Above/-Below Request	\$353,028	\$0	\$0	\$353,028	\$0	0.0

Changes are assumed to be one-time unless otherwise noted.

**S1 Printing services true-up:** The recommendation is an appropriation of \$353,028 reappropriated funds to release a State Controller spending restriction resulting from an authorized overexpenditure for central printing services.

## FY 2025-26 Summary

### Department of Personnel: Recommended Changes for FY 2025-26

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
SB 25-206 (Long Bill)	\$302,473,718	\$35,066,800	\$27,286,866	\$240,120,052	\$0	496.0
Other legislation	136,664	96,607	\$0	40,057	0	-0.1
Current FY 2025-26 Appropriation	\$302,610,382	\$35,163,407	\$27,286,866	\$240,160,109	\$0	495.9
Recommended Changes						
Current FY 2025-26 Appropriation	\$302,610,382	35,163,407	\$27,286,866	\$240,160,109	\$0	495.9
S1 Printing services true-up	1,346,940	0	0	1,346,940	0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
S2 Annual fleet supplemental true-up	0	0	0	0	0	0.0
S3 OAC staff for Medicaid appeals	463,927	0	0	463,927	0	4.6
Recommended FY 2025-26 Appropriation	\$304,421,249	\$35,163,407	\$27,286,866	\$241,970,976	\$0	500.5
Recommended Increase/-Decrease from 2025-26	\$1,810,867	\$0	\$0	\$1,810,867	\$0	4.6
Percentage Change	0.6%	0.0%	0.0%	0.8%	0.0%	0.9%
FY 2025-26 Executive Request	\$303,337,601	\$35,163,407	\$27,644,121	\$240,530,073	\$0	502.1
Staff Rec. Above/-Below Request	\$1,083,648	\$0	-\$357,255	\$1,440,903	\$0	-1.6

Changes are assumed to be one-time unless otherwise noted.

**S1 Printing services true-up:** The request includes an increase of \$1.7 million total funds, including \$357,255 cash funds and \$1,346,940 reappropriated fund, in FY 2025-26 to align spending authority with revenue, as well as to address a FY 2024-25 overexpenditure. This supplemental request is associated with a FY 2026-27 prioritized request (R5).

The recommendation is an increase of \$1,346,940 reappropriated funds to align spending authority with revenue. The overexpenditure must be addressed through supplemental action in FY 2024-25.

**S2 Annual fleet supplemental true-up:** The request includes a reduction of \$1.7 million reappropriated funds for the Division of Capital Assets for vehicle replacement leases and purchases. There are also associated non-prioritized requests for adjustments for the appropriated state agencies, resulting in a net decrease of \$4.1 million total funds, including \$1.4 million General Fund, to Vehicle Lease Payments line items statewide.

The recommendation is to deny the request because unspent appropriations revert at the end of the fiscal year and any reverted General Fund will be available to the General Assembly for FY 2026-27.

**S3 OAC staff for Medicaid appeals:** The request includes an increase of \$770,549 reappropriated funds and 6.2 term-limited FTE in FY 2025-26 to bolster staffing at the Office of Administrative Courts in response to an increase in Medicaid appeals cases resulting from recent changes to state policies related to Long-term Home Health (LTHH) services. This request includes a non-prioritized request in HCPF for an appropriation of \$770,549 total funds, including \$250,428 General Fund, \$134,846 cash funds from the hospital provider fee, and \$385,275 federal Medicaid funds. This supplemental request is associated with a FY 2026-27 prioritized request (R2).

The recommendation is an increase of 463,927 reappropriated funds and 4.6 term-limited FTE in FY 2025-26 for the Office of Administrative Courts in the Department of Personnel. The recommendation includes an appropriation to HCPF of \$463,927 total funds, including \$150,776 General Fund, \$81,187 cash funds from the hospital provider fee, and \$231,964 federal Medicaid funds.

# Department Supplemental Requests

## → S1 Printing Services True-up

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$1,704,195	\$0	\$357,255	\$1,346,940	\$0	0.0
Recommendation	\$1,699,968	\$0	\$0	\$1,699,968	\$0	0.0
Staff Recommendation Higher/-Lower than Request	-\$4,227	\$0	-\$357,255	\$353,028	\$0	0.0

### Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES

An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.

**Explanation:** JBC staff and the Department agree that this request is the result of data that was not available when the original appropriations were made. Given the relative size of the FY 2024-25 overexpenditure to the total appropriation for central printing services, the problem would not have been identified until after the 2025 legislative session ended at the end of the fiscal year. Additionally, revenue projections for FY 2025-26 are more accurate after 6 months of the fiscal year.

## Request

The Department requests an increase of \$1.7 million total funds, including \$357,255 cash funds and \$1,346,940 reappropriated fund, in FY 2025-26 to align spending authority with revenue, as well as to address a FY 2024-25 overexpenditure. This supplemental request is associated with a FY 2026-27 prioritized request (R5).

## Recommendation

Staff recommends that the Committee approve the \$1,346,940 reappropriated funds increase in FY 2025-26. However, staff recommends the Committee approve an appropriation of \$353,028 reappropriated funds in FY 2024-25 to meet the statutory requirements for releasing overexpenditure restrictions.

## Analysis

The Department of Personnel houses the Integrated Document Solutions (IDS) program that provides central printing, scanning, mailing, and related services to state agencies. Client agencies are charge by IDS for the provision of services,<sup>1</sup> the revenue from which is deposited into the Department of Personnel Revolving Fund.<sup>2</sup> IDS includes the Document Solutions Group common policy, which sets the annual document management

<sup>1</sup> The current rates for IDS services can be found at: <https://dcs.colorado.gov/ids/ids-rates>.

<sup>2</sup> Section 24-30-1108 (1), C.R.S.

appropriations for the Departments of State and Revenue.<sup>3</sup> Rates are set to be competitive with the private market but are subject to inflationary pressures. In recent years, the General Assembly has provided reappropriated funds spending authority to acquire updated printing and scanning equipment. These investments have increased IDS's ability to meet volume and production demands from client agencies.

Demand for IDS services have steadily increased in the last several years. From FY 2020-21 to FY 2024-25, spending authority for revenue received from client agencies increase by 23.3 percent. This increase is primarily driven by the Document Solutions common policy, but also by other budgetary actions and legislation. An average of 4 bills, other than supplementals and the Long Bill, have carried appropriations for IDS services in the last four legislative sessions. The average appropriation for special bills across the last four sessions is less than \$20,000 reappropriated funds.

#### 5-year Appropriations History for Central Printing Services

Fiscal Year	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds
FY 2020-21	18,654,067	0	980,537	17,673,530	0
FY 2021-22	23,642,537	0	1,324,835	22,317,702	0
FY 2022-23	25,036,586	0	980,537	24,056,049	0
FY 2023-24	22,786,220	0	980,537	21,805,683	0
FY 2024-25	22,770,880	0	980,537	21,790,343	0

Despite appropriations for IDS printing and mailing operations increasing substantially in the last five years, spending authority has barely kept pace with expenditures. In the last three fiscal years, the margin between appropriations and expenditures has narrowed sharply, with IDS experiencing an overexpenditure of their printing services appropriation in FY 2024-25. The overexpenditure is allowed by statute,<sup>4</sup> but requires approval by the Governor and, in combination with other such overexpenditures, must not exceed \$3.0 million in total in a fiscal year. The State Controller is required to restrict spending authority by the amount of the overexpenditure in the following fiscal year (i.e., FY 2025-26).

#### 5-year Reversion History for Central Printing Services

Fiscal Year	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds
FY 2020-21	\$3,559,165	\$0	\$245,139	\$3,314,026	\$0
FY 2021-22	2,621,099	0	344,298	2,276,801	0
FY 2022-23	226,927	0	0	226,927	0
FY 2023-24	263,523	0	0	263,523	0
FY 2024-25	-353,028	0	0	-353,028	0
Average	\$1,263,537	\$0	\$117,887	\$1,145,650	\$0

The Department's central printing services experienced an increase in printing volume and postage costs in the last several years. Printing volume increases have been driven by recent legislative action, while postage rates

<sup>3</sup> These two departments are the highest-volume client agencies for IDS services and the common policy was created in FY 2020-21 to manage year-over-year fluctuation in service needs.

<sup>4</sup> Section 24-75-109 (1)(c), C.R.S.

set by the U.S. Postal Service increased by nearly 42.0 percent from FY 2020-21 to FY 2024-25. These two factors led to an overexpenditure in FY 2024-25.

## Addressing the FY 2024-25 Overexpenditure and FY 2025-26 Restriction

An appropriation must be made in FY 2024-25 to resolve the FY 2024-25 overexpenditure and release the FY 2025-26 spending authority restriction. The appropriation must be for the same amount as the overexpenditure to fully address the problem. Once the appropriation is enacted, the State Controller will release the FY 2025-26 spending authority restriction.<sup>5</sup> If the FY 2024-25 appropriation is not made, the restriction will remain in place for FY 2025-26 and further exacerbate the misalignment between spending authority, revenue, and expenditures.

## Central Printing Services Appropriations Do Not Align with Revenue

The Department's request for an increase of \$1.4 million reappropriated funds in FY 2025-26 is driven by a mismatch of spending authority and revenue. The Department reports that client agencies are paying for the services they are receiving, but IDS printing services spending authority is insufficient to expend the revenue received. The primary client agencies driving this misalignment are the Departments of Human Services and the Labor and Employment. Revenue from these two departments has increased by nearly 200.0 percent in the last four fiscal years. However, IDS appropriations have not kept pace with this increase. Based on revenue estimates for FY 2025-26, the Department anticipates appropriations will not be sufficient to expend revenue received.

### Central Printing Services Revenue Changes Driving Supplemental Request

Department	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Human Services	\$1,418,752	\$1,388,335	\$2,891,936	\$2,081,141
Labor and Employment	1,015,467	1,557,024	2,843,761	5,001,496
Total	\$2,434,219	\$2,945,359	\$5,735,697	\$7,082,637
Annual change (\$)	n/a	511,140	2,790,338	1,346,940
Annual Change (%)	n/a	21.0%	94.7%	23.5%

A gap in the fiscal impact assessment process has led to the disparity between available revenue and appropriated spending authority. The Department highlights three legislative actions that are primary contributors to this mismatch: the implementation of the Paid Family and Medical Leave Insurance program, S.B. 23B-002 (Summer Electronic Benefits Transfer Program), and S.B. 25-242 (Division of Unemployment Insurance Funding Mechanism). In each case the printing requirements for the programs were not properly identified in the assessment of fiscal impacts. This information gap is not intentional, but a function of the complexities of determining the operational requirements of significant policy changes.

It is worth noting that two of the three examples provided by the department originated as budget requests that required legislation. The printing requirements were never identified despite the numerous points of review through the annual budget process and fiscal notes assessments. This situation identifies an information gap in both the Legislative and Executive Branch fiscal assessment processes. In reviewing the various departmental,

<sup>5</sup> Section 24-75-109 (4)(a), C.R.S.



JBC Staff, and Fiscal Note Staff documents, the need for central printing services was not discussed. Non-partisan legislative staff responsible for assessing fiscal impacts are largely reliant on the Executive Branch to provide this type of information. Sometimes the need for central services is obvious (e.g., changes to the GenTax system or a statutory requirement to mail notifications), but often these requirements are missed. In conjunction with this supplemental request, the Department of Personnel has raised this concern with Fiscal Note Staff to help avoid this issue going forward. JBC staff would assert that it is a responsibility shared equally between the staff of the Legislature and the Executive Branch.

## → S2 Annual fleet supplemental true-up

### Dept. of Personnel, Vehicle Replacement Lease/Purchase Line Item Adjustment

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	-\$1,747,525	\$0	\$0	-\$1,747,525	0	0.0
Recommendation	0	0	0	0	0	0.0
Staff Recommendation Higher/-Lower than Request	\$1,747,525	\$0	\$0	\$1,747,525	0	0.0

### Statewide Vehicle Lease Payments Line Item Adjustments for Appropriated Agencies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	-\$4,121,679	-\$1,449,773	-\$2,267,879	-\$150,879	-\$253,148	0.0
Recommendation	0	0	0	0	0	0.0
Staff Recommendation Higher/-Lower than Request	\$4,121,679	\$1,449,773	\$2,267,879	\$150,879	\$253,148	0.0

#### Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES

An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.

**Explanation:** JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made, specifically 4 months of actual lease payment data for the current fiscal year.

## Request

The Department requests a reduction of \$1.7 million reappropriated funds for the Division of Capital Assets for vehicle replacement leases and purchases. The Vehicle Replacement Lease/Purchase line item adjustment aligns the reappropriated funds with State Fleet Trust expenditures related to the purchase of vehicles.

There are also associated non-prioritized requests for adjustments for the appropriated state agencies, resulting in a net decrease of \$4.1 million total funds, including \$1.4 million General Fund, to Vehicle Lease Payments line items statewide.

## Recommendation

Staff recommends that the Committee deny the request. The vast majority of this request are reductions to the Vehicle Lease Payments line items across the various departments. Unspent appropriations revert at the end of the fiscal year and any reverted General Fund will be available to the General Assembly for FY 2026-27.

## Analysis

The State Fleet Management Program manages all aspects of a vehicle's life from the time of acquisition through disposal. The program facilitates all maintenance, repairs, fuel expense, accident repairs, and maintains a robust database with a detailed history for each vehicle. The State Fleet Management Program manages these vehicle assets for state agencies, helping to control unnecessary expenses, and oversees adherence to preventive maintenance schedules. Centralized management provides economies of scale and significant price reductions by aggregating purchasing opportunities and funding resources.

The Department of Personnel submits this supplemental true-up annually to capture the difference between agency appropriations and actual need. Through this supplemental, the Department captures the differences created by any combination of the following:

- replacements or purchases received before or after the budgeted date;
- programmatic needs that drive the purchase of vehicles and options that were not factored into the original appropriation;
- purchases or replacements that result from actions external to the typical replacement request (special bills or out-of-cycle requests);
- out-of-cycle replacements due to wrecks (total losses); and
- transfer of vehicles within a department's programs due to need or changing requirements.

To assess this accounting true-up, JBC staff uses a standard threshold for evaluating individual department adjustments. This standard is set at a 10.0 percent or greater increase over a department's current Long Bill appropriation for their Vehicle Lease Payments line item. This threshold allows staff to see the relative impact and need of each affected department, while tailoring a recommendation to those that exceed the threshold. A secondary benefit of this method is to minimize the number of supplemental adjustments introduced to the General Assembly.

### FY 2025-26 Departmental Requested Fleet Supplemental True-up, Threshold Calculation (10.0%)

Department	FY 2025-26 Appropriation	Projected Need	Supplemental Adjustment	Adjustment Percentage
Agriculture	\$623,229	\$511,453	-\$111,776	-17.9%
Corrections	4,568,540	4,306,893	-261,647	-5.7%
Early Childhood	8,026	6,910	-1,116	-13.9%
Education	45,211	39,333	-5,878	-13.0%
Governor's Office	17,449	15,034	-2,415	-13.8%
Human Services	1,603,492	1,314,894	-288,598	-18.0%
Judicial	301,633	282,774	-18,859	-6.3%
Labor & Employment	295,709	223,596	-72,113	-24.4%
Law	104,090	99,694	-4,396	-4.2%
Local Affairs	158,338	127,247	-31,091	-19.6%
Military & Veterans Affairs	135,712	108,353	-27,359	-20.2%

Department	FY 2025-26 Appropriation	Projected Need	Supplemental Adjustment	Adjustment Percentage
Natural Resources	9,207,001	6,901,523	-2,305,478	-25.0%
Personnel	262,163	221,945	-40,218	-15.3%
Public Health & Environment	473,909	411,666	-62,243	-13.1%
Public Safety	14,780,461	14,289,480	-490,981	-3.3%
Regulatory Agencies	754,631	552,119	-202,512	-26.8%
Revenue	1,047,509	853,472	-194,037	-18.5%
State	11,538	10,575	-963	-8.3%
Total - Appropriated Agencies	\$34,398,641	\$30,276,961	-\$4,121,680	-12.0%

The reductions would make \$1.4 million General Fund available to the General Assembly to save or spend in FY 2025-26. The unspent appropriations will revert and become available to the General Assembly in FY 2026-27 without the supplemental adjustments. It is staff's general position to limit the number of supplemental adjustments to those that are functionally necessary.

#### Annual Fleet Supplemental Adjustments for FY 2025-26

Department	Department Requests					Staff Recommendation
	Total Funds	General Fund	Cash Fund	Reapprop. Funds	Federal Funds	Total Funds
Agriculture	-\$111,776	-\$55,741	-\$54,814	\$0	-\$1,221	\$0
Corrections	-261,647	-238,242	-23,405	0	0	0
Early Childhood	-1,116	-1,116	0	0	0	0
Education	-5,878	-5,878	0	0	0	0
Governor's Office	-2,415	-2,415	0	0	0	0
Human Services	-288,598	-142,856	0	-145,742	0	0
Judicial	-18,859	-18,859	0	0	0	0
Labor & Employment	-72,113	-5,766	-38,932	-121	-27,294	0
Law	-4,396	-14,896	0	13,500	-3,000	0
Local Affairs	-31,090	-13,765	-13,180	-4,145	0	0
Military & Veterans Affairs	-27,359	-12,969	0	0	-14,390	0
Natural Resources	-2,305,478	-636,571	-1,643,789	0	-25,118	0
Personnel	-40,218	0	-320	-39,898	0	0
Public Health & Environment	-62,243	-5,340	-51,256	-5,647	0	0
Public Safety	-490,981	-269,164	-70,866	31,174	-182,125	0
Regulatory Agencies	-202,512	0	-202,512	0	0	0
Revenue	-194,037	-26,195	-167,842	0	0	0
State	-963	0	-963	0	0	0
Total	-\$4,121,679	-\$1,449,773	-\$2,267,879	-\$150,879	-\$253,148	\$0

### → S3 OAC staff for Medicaid appeals

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$770,549	\$0	\$0	\$770,549	\$0	6.2
Recommendation	382,704	0	0	382,704	0	3.5
Staff Recommendation Higher/-Lower than Request	-\$387,845	\$0	\$0	-\$387,845	\$0	-2.7

**Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES**

An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.

**Explanation:** The policy changes driving this request went into effect on July 1 and August 1 of 2025, several months after the end of the 2025 legislative session.

## Request

The Department requests \$770,549 reappropriated funds and 6.2 term-limited FTE in FY 2025-26 to bolster staffing at the Office of Administrative Courts (OAC) in response to an increase in Medicaid appeals cases resulting from recent changes to state policies related to Long-term Home Health (LTHH) services. The reappropriated funds originate from the Department of Health Care Policy and Financing (HCPF).

This request includes a non-prioritized request in HCPF for an appropriation of \$770,549 total funds, including \$250,428 General Fund, \$134,846 cash funds from the hospital provider fee, and \$385,275 federal Medicaid funds.

This supplemental request is associated with a FY 2026-27 prioritized request (R2). The Department identifies this request as Evidence-informed.

## Recommendation

Staff recommends that the Committee approve an appropriation of \$463,927 reappropriated funds and 4.6 term-limited FTE in FY 2025-26 for the Office of Administrative Courts in the Department of Personnel. The recommendation includes an appropriation to HCPF of \$463,927 total funds, including \$150,776 General Fund, \$81,187 cash funds from the hospital provider fee, and \$231,964 federal Medicaid funds. The primary differences between the request and recommendation are that JBC staff prorated the hire date for the term-limited FTE for March 2026 and omitted centrally appropriated costs, per JBC policy for new FTE.

### S3 OAC Staffing for Medicaid Appeals - JBC Staff Recommendation

Element	Recommendation
<u>Dept. of Personnel (RF)</u>	
Personal services	\$402,039
Operating expenses	61,888
Centrally appropriated	0
Total	\$463,927
FTE	4.6
<u>Dept. of Health Care Policy and Financing</u>	
General Fund	\$150,776
Cash Funds	81,187
Federal Funds	231,964
Total	\$463,927

## Evidence Designation

The actions proposed in this request do not meet the definition of a program or practice. The request is not establishing, changing, or expanding the scope of the responsibilities of the Office of Administrative Courts or their work related to reviewing and adjudicating Medicaid appeals. The request is seeking additional resource to address an anticipated influx of appeals resulting from policy changes made outside of the Department of Personnel or the OAC. Additional staffing to address increased workload is not a program or practice, it is an administrative action. An evidence designation is not applicable to this request.

## Analysis

The Office of Administrative Courts provides an independent administrative law adjudication system for state agencies to resolve cases that concern worker's compensation, public benefits (food stamps, Colorado Works/TANF, Medicaid, etc.), professional licensing board work involving license denial, revocation, suspension or other discipline, teacher dismissal cases, and when a citizen has filed a complaint under the Fair Campaign Practices Act. Recent changes to Medicaid policies have reinstated the requirement for prior authorization requests (PARs) for LTHH services.

The Department of Health Care Policy and Financing estimates that as many as 27,000 members will be affected by this change. The Department of Personnel estimates that 1,996 appeals of PAR decisions will be sent to the Office of Administrative Courts in FY 2025-26 and FY 2026-27, with the influx of cases being fully addressed by the end of January 2027. The Department assumes that 70.0 percent of appeals (1,397) will be adjudicated by Administrative Law Judges (ALJs). The Department anticipates hiring clerks and Administrative Law Judges to address the temporary increase in Medicaid appeals cases. The clerks will provide the initial review of the appeals. The Department assumes that the clerical review will take five hours and that the adjudication process will require 10 hours.

### Clerk Workload Assessment

Element	Workload Factors
Total cases	1,996
Term-limit (months)	11
Cases per month	181
Hours per case	5
Total hours	9,980
Hours per clerk [1]	1,907
Required FTE	5.2
Prorated FTE - FY 2025-26	1.9
[1] 2,080 x (11/12)	

To calculate the required clerical FTE, JBC staff used the total cases anticipated by the department, a term length of 11 months for the FTE, and the department's assumed hours per case. Staff calculated the total hours a clerk would need to work over the 11-month period it will take to address the increase in appeals cases. Lastly, staff prorated the total FTE for four months of FY 2025-26, from March through June 2026. A similar methodology was used to calculate the required ALJ FTE, with the exception that staff used the 1,850 billable hours cited by the Department for ALJs.

## Administrative Law Judge (ALJ) Workload Assessment

Element	Workload Factors
Adjudicated cases	1,397
Term-limit (months)	11
Cases per month	127
Hours per case	10
Total hours	13,972
ALJ billable hours	1,850
ALJ FTE	7.6
Pro-rated FTE - FY 2025-26	2.7

## Background

The population covered by Medicaid in Colorado has grown since the expansion of the program in January 2014. In FY 2019-20, the Medicaid enrollment was 1.2 million persons. At the peak of Medicaid enrollment during the pandemic in FY 2022-23, the population rose to 1.7 million. The projected Medicaid population in FY 2025-26 is a little less than 1.3 million, or 3.4 percent greater than pre-pandemic levels, after the public health emergency unwind.

### Medicaid Enrollment History

Fiscal Year	Monthly Average
FY 2015-16	1,296,986
FY 2016-17	1,346,114
FY 2017-18	1,315,217
FY 2018-19	1,261,365
FY 2019-20	1,219,245
FY 2020-21	1,404,955
FY 2021-22	1,561,560
FY 2022-23	1,719,619
FY 2023-24	1,390,188
FY 2024-25	1,207,815
FY 2025-26 [1]	1,260,431

[1] Projected caseload provided by HCPF

For Medicaid cases, federal regulations require that a final agency decision (FAD) be issued no later than 90 days from the date the appeal is filed. HCPF issues the final agency decisions after the OAC issues an initial decision. The OAC tracks the median amount of time it takes for a clerk to process appeals and schedule hearings. The OAC also tracks the number of days a case is open. A closed case means that an Administrative Law Judge has issued a decision on the merits or the matter was closed for other reasons. The closure date typically demonstrates the length of time a party must wait for a decision on their appeal.

### Medicaid Appeals Cases Turnaround Times

	FY 2022-23	FY 2023-24	FY2024-25
Median days between receipt of Medicaid appeal and clerk creation of new case	23	1	1
Median days before scheduled hearing	99	36	57
Median days from date appeal is filed to case closure	108	39	62

Beginning in FY 2022-23, the General Assembly provided funding for additional temporary staffing to address the public health emergency unwind. In FY 2022-23, the General Assembly appropriated \$0.9 million through a

supplemental action. In FY 2023-24, the General Assembly appropriated \$3.3 million to address increased appeals. In FY 2024-25, the General Assembly appropriated \$0.2 million and 2.7 term-limited FTE to address the caseload related to the public health unwind. In FY 2025-26, the General Assembly approved the conversion of the term-limited FTE into permanent positions. These additional resources resulted in reductions in case processing times. However, with the reduced resources in last two fiscal years, processing times have ticked back up.

# Appendix A: Numbers Pages

Appendix A details the actual expenditures for the last two state fiscal years, the appropriation for the current fiscal year, and the requested appropriation for next fiscal year. Appendix A organizes this information by line item and fund source.



**JBC Staff Supplemental Recommendations - FY 2024-25**  
**Staff Working Document - Does Not Represent Committee Decision**

**Appendix A: Numbers Pages**

	FY 2024-25 Actual	FY 2024-25 Appropriation	FY 2024-25 Requested Change	FY 2024-25 Rec'd Change	FY 2024-25 Total w/Rec'd Change
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**Department of Personnel**  
**Anthony Gherardini, Executive Director**

**S1 Printing services true-up**

**(4) Division of Central Services**

**(B) Integrated Document Solutions**

Operating Expenses	<u>23,123,908</u>	<u>22,770,880</u>	<u>0</u>	<u>353,028</u>	<u>23,123,908</u>
General Fund	0	0	0	0	0
Cash Funds	980,537	980,537	0	0	980,537
Reappropriated Funds	22,143,371	21,790,343	0	353,028	22,143,371
Federal Funds	0	0	0	0	0

<b>Total for S1 Printing services true-up</b>	<b>23,123,908</b>	<b>22,770,880</b>	<b>0</b>	<b>353,028</b>	<b>23,123,908</b>
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	0	0	0	0
Cash Funds	980,537	980,537	0	0	980,537
Reappropriated Funds	22,143,371	21,790,343	0	353,028	22,143,371
Federal Funds	0	0	0	0	0

<b>Totals Excluding Pending Items</b>					
<b>PERSONNEL</b>					
<b>TOTALS for ALL Departmental line items</b>	<b>283,635,332</b>	<b>283,282,294</b>	<b>0</b>	<b>353,028</b>	<b>283,635,322</b>
<i>FTE</i>	<u>423.0</u>	<u>518.3</u>	<u>0.0</u>	<u>0.0</u>	<u>518.3</u>
General Fund	32,695,586	39,442,833	0	0	39,442,833
Cash Funds	16,477,614	21,586,936	0	0	21,586,936
Reappropriated Funds	222,605,553	222,252,525	0	353,028	222,605,553
Federal Funds	0	0	0	0	0

**JBC Staff Supplemental Recommendations - FY 2025-26**  
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	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2025-26 Requested Change	FY 2025-26 Rec'd Change	FY 2025-26 Total w/Rec'd Change
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**Department of Personnel**  
**Anthony Gherardini, Executive Director**

**S1 IDS technical true-up**

**(4) Division of Central Services**

**(B) Integrated Document Solutions**

Operating Expenses	23,123,908	22,799,664	1,704,195	1,346,940	24,146,604
General Fund	0	0	0	0	0
Cash Funds	980,537	980,537	357,255	0	980,537
Reappropriated Funds	22,143,371	21,819,127	1,346,940	1,346,940	23,166,067
Federal Funds	0	0	0	0	0

<b>Total for S1 IDS technical true-up</b>	23,123,908	22,799,664	1,704,195	1,346,940	24,146,604
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	0	0	0	0
Cash Funds	980,537	980,537	357,255	0	980,537
Reappropriated Funds	22,143,371	21,819,127	1,346,940	1,346,940	23,166,067
Federal Funds	0	0	0	0	0

**JBC Staff Supplemental Recommendations - FY 2025-26**  
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	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2025-26 Requested Change	FY 2025-26 Rec'd Change	FY 2025-26 Total w/Rec'd Change
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**S2 Annual fleet supplemental**

**(7) Division of Capital Assets**

**(C) Fleet Management Program and Motor Pool Services**

Vehicles Replacement Lease or Purchase	<u>27,558,746</u>	<u>36,137,733</u>	<u>-1,747,525</u>	0	<u>36,137,733</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	27,558,746	36,137,733	(1,747,525)	0	36,137,733
Federal Funds	0	0	0	0	0

<b>Total for S2 Annual fleet supplemental</b>	27,558,746	36,137,733	(1,747,525)	0	36,137,733
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	27,558,746	36,137,733	(1,747,525)	0	36,137,733
Federal Funds	0	0	0	0	0

**JBC Staff Supplemental Recommendations - FY 2025-26**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2025-26 Requested Change	FY 2025-26 Rec'd Change	FY 2025-26 Total w/Rec'd Change
<b>S3 OAC Medicaid staffing</b>					
<b>(1) Executive Director's Office</b>					
<b>(A) Department Administration</b>					
Health, Life, and Dental	6,217,136	6,369,282	97,086	0	6,369,282
General Fund	2,592,136	2,463,429	0	0	2,463,429
Cash Funds	159,407	175,734	0	0	175,734
Reappropriated Funds	3,465,593	3,730,119	97,086	0	3,730,119
Federal Funds	0	0	0	0	0
Short-term Disability	53,858	26,917	339	0	26,917
General Fund	23,843	12,147	0	0	12,147
Cash Funds	1,720	779	0	0	779
Reappropriated Funds	28,295	13,991	339	0	13,991
Federal Funds	0	0	0	0	0
Paid Family Medical Leave Insurance	164,439	172,080	2,181	0	172,080
General Fund	74,300	78,088	0	0	78,088
Cash Funds	5,205	5,010	0	0	5,010
Reappropriated Funds	84,934	88,982	2,181	0	88,982
Federal Funds	0	0	0	0	0
Unfunded Liability Amortization Equalization					
Disbursement Payments	3,654,946	3,823,975	48,458	0	3,823,975
General Fund	1,652,562	1,735,281	0	0	1,735,281
Cash Funds	114,956	111,331	0	0	111,331
Reappropriated Funds	1,887,428	1,977,363	48,458	0	1,977,363
Federal Funds	0	0	0	0	0

**JBC Staff Supplemental Recommendations - FY 2025-26**  
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	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2025-26 Requested Change	FY 2025-26 Rec'd Change	FY 2025-26 Total w/Rec'd Change
<b>(6) Office of Administrative Courts</b>					
Personal Services	<u>4,502,267</u>	<u>5,008,380</u>	<u>547,965</u>	<u>402,039</u>	<u>5,410,419</u>
FTE	38.4	47.4	6.2	4.6	52.0
General Fund	0	0	0	0	0
Cash Funds	804,719	138,608	0	0	138,608
Reappropriated Funds	3,697,548	4,869,772	547,965	402,039	5,271,811
Federal Funds	0	0	0	0	0
Operating Expenses	<u>130,942</u>	<u>195,699</u>	<u>74,520</u>	<u>61,888</u>	<u>257,587</u>
General Fund	0	0	0	0	0
Cash Funds	96,014	114,382	0	0	114,382
Reappropriated Funds	34,928	81,317	74,520	61,888	143,205
Federal Funds	0	0	0	0	0
<b>Total for S3 OAC Medicaid staffing</b>	14,723,588	15,596,333	770,549	463,927	16,060,260
FTE	38.4	47.4	6.2	4.6	52.0
General Fund	4,342,841	4,288,945	0	0	4,288,945
Cash Funds	1,182,021	545,844	0	0	545,844
Reappropriated Funds	9,198,726	10,761,544	770,549	463,927	11,225,471
Federal Funds	0	0	0	0	0

**JBC Staff Supplemental Recommendations - FY 2025-26**  
**Staff Working Document - Does Not Represent Committee Decision**

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	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2025-26 Requested Change	FY 2025-26 Rec'd Change	FY 2025-26 Total w/Rec'd Change
<b>Totals Excluding Pending Items</b>					
<b>PERSONNEL</b>					
<b>TOTALS for ALL Departmental line items</b>	277,136,246	302,610,382	727,219	1,810,867	304,421,249
<i>FTE</i>	<u>441.3</u>	<u>495.9</u>	<u>6.2</u>	<u>4.6</u>	<u>500.5</u>
General Fund	35,438,443	35,163,407	0	0	35,163,407
Cash Funds	23,074,629	27,286,866	357,255	0	27,286,866
Reappropriated Funds	218,623,174	240,160,109	369,964	1,810,867	241,970,976
Federal Funds	0	0	0	0	0