

Public Health and Environment (Environment Divisions Only)

FY 2026-27 Joint Budget Committee Hearing Agenda

Wednesday, December 17, 2025

3:30 pm - 5:00 pm

3:30 – 3:35 Introductions and Opening Comments

Presenter: Jill Hunsaker Ryan, Executive Director

3:35 – 4:00 Water Quality Control Division

Main Presenters:

- Jill Hunsaker Ryan, Executive Director
- Erick Scheminske, Chief Operating Officer
- Nicole Rowan, Division Director, Water Quality Control Division

Topics:

- R2 Continue Clean Water in Schools and Child Care Centers: Pages 1-3, Questions 1-5 in the packet
- Waters of the US (WOTUS) and Water Quality Permitting: Page 3-7, Questions 6-9 in the packet

4:00 – 4:25 Cash Funds and Fees

Main Presenters:

- Jill Hunsaker Ryan, Executive Director
- Erick Scheminske, Chief Operating Officer
- Michael Ogletree, Division Director, Air Pollution Control Division

Topics:

- Stationary Sources Control Fund: Pages 7-12, Questions 10-12 in the packet

- Other Fee and Fund Questions: Pages 12-13, Questions 13-14 in the packet
- Budget Reduction Options: Pages 13-14, Question 15 in the packet

4:25 – 4:50 Air Pollution Control Division

Main Presenters:

- Jill Hunsaker Ryan, Executive Director
- Erick Scheminske, Chief Operating Officer
- Michael Ogletree, Division Director, Air Pollution Control Division

Supporting Presenters:

- Chad Whitlock, Chief Improvement Officer, Air Pollution Control Division

Topics:

- Air Quality Permitting: Pages 14-25, Questions 16-23 in the packet
- AQCC Regulation No. 30: Pages 26-28, Questions 24-27 in the packet

4:50 – 5:00 Extended Producer Responsibility

Main Presenters:

- Jill Hunsaker Ryan, Executive Director
- Erick Scheminske, Chief Operating Officer
- Tracie White, Director, Hazardous Material and Waste Management Division

Topics:

- Extended Producer Responsibility: Pages 28-31, Questions 28

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Wednesday, December 17, 2025

3:30 pm - 5:00 pm

Water Quality Control Division

R2 Continue Clean Water in Schools and Child Care Centers

1. *[Rep. Sirota] The Department requests to transition all costs related to the Test and Fix Drinking Water for Kids Program. Given this, please respond to the following:*

- *Why weren't all of the costs of this program coming from the School and Child Care Clean Drinking Water Cash Fund originally?*

Response: The Test and Fix Water for Kids Program was established by H.B. 22-1358, which transferred \$21.0 million from the General Fund to create the School and Child Care Clean Drinking Water Cash Fund to support program implementation. In addition, the bill separately appropriated \$2,648,019 in FY 2022-23 and \$1,099,600 ongoing for staffing costs.

Because the program was initially funded through a combination of General Fund appropriations and the newly created cash fund, not all costs were drawn from the cash fund at the outset. The Department was later granted rollforward spending authority on the cash fund through S.B. 23-128, allowing use of the appropriation through FY 2025-26, when the program is scheduled to repeal.

- *Are all of the 7.0 FTE being transitioned from General Fund to the cash fund entirely devoted to this program?*

Response: Yes. The request includes 7.0 FTE to administer the program beginning in FY 2026-27 and the FTE will be devoted to this program. Their responsibility includes program development and management, providing technical assistance and support to schools and child cares, developing easy-to-use instructional materials for highly technical material, managing a data management system to provide real-time updates, and overseeing a contractor to manage the testing and remediation work.

Because the existing program is being closed out, we have transitioned staff off Test and Fix for Kids funding to support other Division needs. They will be temporarily deployed back to Test and Fix if this program is continued, and then be utilized to help the Division implement upcoming implementation of new federal regulations

- *What will happen to these FTE when this program would expire in 2029?*

Response: If the Committee approves this request, the Department aims to have a glide path for the FTE currently supporting the program to transition to other work in the Division that requires similar expertise. For example, we anticipate needing staff to provide oversight and coordination of new federal regulations that will be implemented right around the time this program would end. This work and these FTE are expected to be supported by federal funding and other cash funds following the conclusion of the Test and Fix Program..

- *What were these positions doing up to this point? Are they entirely focused on this program now?*

Response: The FTE working on this program have been focused on it since the Test and Fix program started, but since the program is being closed out, we have transitioned some staff from Test and Fix funding to support other division needs. They will be temporarily deployed back to Test and Fix for Kids if this program is continued. The FTE dedicated to this program are allocated at different levels, up to 100%, based on work efforts.

2. *[Rep. Sirota] Describe any challenges that could arise from an annual appropriation of the entire cash fund balance compared to extending rollforward spending authority for this program.*

Response: The timing of reimbursement requests from schools is unpredictable. As long as the Department has access to the total cash fund balance of the fund each fiscal year, either via an annual appropriation or rollforward spending authority or via a continuous appropriation, the flexibility sought will be achieved.

3. *[Sen. Amabile] What is the breakdown of expenditures between remediation and testing?*

Response: The Department estimates it will spend \$2,400,000 on testing and \$2,800,000 on remediation from FY 2022-23 through FY 2025-26.

4. *[Sen. Kirkmeyer] If all of the centers enrolled in the program have been tested, why is an extension needed? What is the Department's plan to get the untested child care entities to participate?*

Response: All child care centers and schools serving preschool through eighth grade that enrolled in the program have already been tested. The reason an extension is needed is to expand the program to include public and charter high schools, as well as child care centers that did not previously participate.

Extending the program with a testing deadline allows more time for technical assistance and testing the estimated 400 new child care programs that have opened since the May 31, 2023 deadline and did not have the opportunity to test, or noncompliant facilities that were not previously tested. This extended testing deadline allows the program to have the time needed to be able to work directly with schools and child cares – especially in rural communities – to provide the technical support needed to navigate this program. This includes having the resources to visit the site to conduct testing and coordinating all the work needed to remediate fixtures with high lead levels. The success of an extension has been demonstrated by the program's additional work on middle schools after the 2023 legislative session allowed the program to extend assistance and testing to public schools serving grades six through eight on or before November 30, 2024. As a result of this extension, 100% of all public schools serving any grades preschool through eighth have enrolled and tested their drinking water for lead under this program.

5. *[Sen. Bridges] Does the Department have a plan to continue this testing beyond FY 2028-29? What will this ongoing costs be, and how will they be paid?*

Response: The Department does not have an alternate source of funding to continue the program after FY 2028-29, but most day cares and schools will have been tested and remediated by then. The Department will continue to support any new day cares by providing available written materials developed for the program and answering questions when day cares reach out to us.

Waters of the US (WOTUS) and Water Quality Permitting

6. *[Sen. Kirkmeyer] Describe the stakeholder process for the Regulation 87 rulemaking, authorized in H.B. 24-1379 (Regulate Dredge and Fill Activities in State Waters. Describe the new fees to be charged for permits (called Authorizations) under this new program. Describe the fee structure and entities that will be paying the Authorizations. Describe how the rulemaking is consistent with the legislative intent of HB 24-1379.*

Response:

Stakeholder process for the Regulation 87 rulemaking

The Department hosted or attended approximately 48 meetings during the stakeholder engagement process. It contacted about 1,500 people, with an average of 150 attendees at each meeting, including:

- Drinking water systems and water providers, such as owners and operators of regulated drinking water systems.
- Permittees, including those involved in construction, industrial activities, water treatment plant discharges, stormwater, dewatering, and wastewater.
- County representatives and officials from other local governments.
- Agricultural interest groups, including ditch companies.
- Water conservancy districts.
- Community members, environmental justice, and conservation organizations.

The Department developed the proposed regulation through an extensive collaborative effort with stakeholders, reviewing and incorporating their input and suggested language. The Water Quality Control Commission will hold a rulemaking hearing on the proposed regulation from December 8-10.

Fees

The Water Quality Control Commission held its rulemaking hearing to implement HB24-1379 from December 8 to 10. The Department's proposal to the Commission was based on the fiscal note and directives from the legislature in HB24-1379 and aims to include support from both the General Fund and cash funds. According to the HB24-1379 fiscal note, fee revenue is intended to cover roughly 40% of the program's direct and indirect costs, while the remaining 60% will be supported by General Fund appropriations. The Department's fee proposal reflected the effort required to review, develop, and oversee compliance for authorizations issued by the Department. This effort is based on the Department's experience with implementing its temporary enforcement discretion policy and issuing temporary authorizations over the past year. The Department adjusted its proposal in response to stakeholder feedback. For instance, its proposed fees for voluntary stream restoration authorizations were significantly reduced. As noted in its prehearing filings, the Department expects that fees will likely decrease over time as more data about the number and duration of authorizations is collected. Entities responsible for paying fees include water providers, developers, municipalities, local governments, special districts, and conservation groups (primarily for restoration projects). The Department assumes that, because of HB24-1379's exclusions and exemptions for agriculture, few authorizations will be necessary for agricultural producers.

The Water Quality Control Commission voted to include the following fees:

Description	Fee amount
Temporary authorizations and notices of coverage for general authorizations that do not require compensatory mitigation.	\$4,320 per project per year until project completion.
Temporary authorizations and notices of coverage for general authorizations that require compensatory mitigation.	\$9,000 per project per year until project completion.
Consultation (assistance with determining whether an authorization is needed, evaluating mitigation requirements, etc)	\$180 per hour (no charge for the first two hours of consultation).
Individual authorizations	\$180 per hour and \$9,000 per year until a notice of termination is issued.
Authorizations for voluntary stream restoration	\$500 per authorization per year until a notice of termination is issued.

Describe how the rulemaking is consistent with the legislative intent of HB24-1379

The Water Quality Control Commission held its rulemaking hearing to implement HB24-1379 from Dec. 8-10. The Department worked closely with its attorneys at the Colorado Department of Law to draft Regulation No. 87 and believes its proposal is consistent with the legislative intent of HB24-1379. The Department's proposal aligned with the program's scope as outlined in HB24-1379. For example, the Department's proposal was protective of all state waters and includes the exemptions and exclusions that were included in the legislation. In addition, HB24-1379 authorizes the commission to provide minor clarification of statutory exemptions and exclusions to ensure they are implemented as intended. During the rulemaking process some parties ascribed different meanings to the exclusion "wetlands that are adjacent to a ditch or canal and supported by water in the adjacent ditch or canal." The Water Quality Control Commission voted to define the terms "adjacent" and "supported by," to ensure the consistent implementation of the exclusion and to provide certainty for the regulated community regarding its meaning. Additionally, the Department's proposal related to authorization processes, voluntary stream restoration exclusion, and 404(b)(1) guidelines was consistent with HB24-1379's intent.

7. *[Sen. Kirkmeyer] What will it cost to regulate the additional 40% of wetlands covered by the proposed rule, which narrows the wetlands adjacent exemption?*

Response: The Department has not stated that it will be regulating an additional 40% of wetlands based on its proposed Regulation No. 87 and is unaware of how this estimate was developed. The Department's proposed Regulation No. 87 is consistent with HB24-1379 and its associated fiscal note.

8. *[Sen. Kirkmeyer] What is the Department's estimate of the potential litigation costs if someone challenges the WOTUS rule on the grounds that it violates state law? How would those costs be paid for within the Department's existing budget?*

Response: It is unclear whether this question is about the U.S. Army Corps of Engineers and Environmental Protection Agency's latest WOTUS rule published on Nov. 20, 2025, or the Department's Regulation No. 87. Regardless, the Department is not able to provide a cost estimate until the scope of any such lawsuit is defined. The Department has an annual legal budget for legal services provided by the Colorado Department of Law. The Department manages all legal services needs within this budget and plans to address any legal challenges to Regulation No. 87 within its budget as well. If the cost of any such legal challenge exceeds the Department budget, it would seek additional funding through the budget amendment process or the annual budget process.

9. *[Sen. Kirkmeyer] What permit efficiencies have been implemented in the Water Quality Control Division? Provide an update on permit processing times.*

Response: At the start of state fiscal year 2023-24, the backlog of permits was approximately 75%. In July 2023, we were able to start hiring more FTE and increase our capacity, based on general fund dollars provided by the General Assembly to kick start these efforts. The Division had suffered from decades of underfunding with only a few minor fee increases and hasn't been able to keep pace with population growth and new regulations. (Fees used to be in statute, which made regular increases difficult. They are now under the purview of the Water Quality Control Commission, making it easier for the division to keep up.) The funding provided by the general assembly was about half of what CDPHE requested, based on our capacity needs; however, this funding has still allowed the Department to reduce the backlog to approximately 50%.

In FY 2024-25, General Fund support has been replaced with cash fund resources for a two-year period. The Department is actively preparing a plan, including a fee increase based on our spending authority. The Department is committed to utilizing available resources to find efficiencies that will minimize the permit backlog and deliver improved service. We are utilizing contractors to assist with permit processing, and

have plans for digital transformation from paper-based to electronic reporting with a new permitting system. The Division is also in the process of proposing permit processing times by rule by December 31, 2027, pursuant to SB25-305. We have launched a permit performance stakeholder effort as part of that rulemaking process. Finally, we proposed a rule update to incorporate a preliminary draft review period into the permit development process, as outlined in SB25-305. The Water Quality Control Commission adopted the Department's proposed regulation to include the preliminary draft review period, and it will be effective January 2026, a year before SB25-305's deadline.

Cash Funds and Fees

Stationary Sources Control Fund

10. [Rep. Sirota] Why are there conditions on the proposed fee increase for the Stationary Sources Control Fund? Where did the conditionality come from? Why did the Department agree to this? Did the Department impose these conditions on themselves?

Response: The conditions have been developed and agreed to in partnership with the Governor's Office, in order to hold ourselves accountable to activities that we must accomplish this year to make meaningful progress on the permit backlog. We do not foresee any barriers to meeting these conditions - in fact, several have already been achieved in fall of 2025. We believe we have the right resources and expertise to implement the activities and meet the performance metrics. We are proceeding with the fee adjustment process as if we will be meeting these objectives. We regularly check in with the Governor and have been able to show meaningful forward progress.

This administration has long been committed to supporting the Air Pollution Control Division to modernize and work toward eliminating the backlog. The FY 2022-23 modernization Decision Item (DI) significantly increased the number of permitting staff, along with a multi-year IT Capital System permit application modernization system upgrade. The DI was making up for decades of underfunding, when fees used to be set in statute and rarely increased. By default, the backlog had been building over time. New fees are now set by the Air Quality Control Commission and can be raised on a more frequent basis. The DI also provided a glidepath to addressing the staffing surge capacity needed for the impending federal downgrades for the 2008 and 2015 ozone standards, which reclassifies sources and requires significant additional permitting.

The Department recognizes that between the DI and the number of extensive new pieces of air quality legislation and regulations, making Colorado a leader in air

quality, the Division needs to increase fees on regulated entities, including \$13.5 to \$14.0 million for FY '26/'27, and \$7-\$8 million for fiscal year '27/'28. This amounts to a 65-70% increase in revenue over two years. In exchange, Industry wants predictability in permitting timelines and accountability in our process improvement work.

Eliminating the backlog is such a significant priority for the administration that we have worked directly with the Governor's operations team on reaching our goals. Together, we have hired a new executive - a Chief Operational Improvement Officer - who is overseeing the permit efficiency initiative, and we are working with the Boston Consulting Group. The permitting function in the Air division is complex and these performance experts are considering process efficiency improvements in the context of the current landscape including, "headwinds" and "tailwinds."

Headwinds include the ever-changing dynamics that increase both the volume and complexity of permits. For example, the state has experienced three ozone downgrades since 2021, resulting in the subsequent processing of hundreds of new synthetic minor applications for sources that took limits to remain below the new major source thresholds, and the Division now has 178 new entities considered a Title V Major Source (see table below).

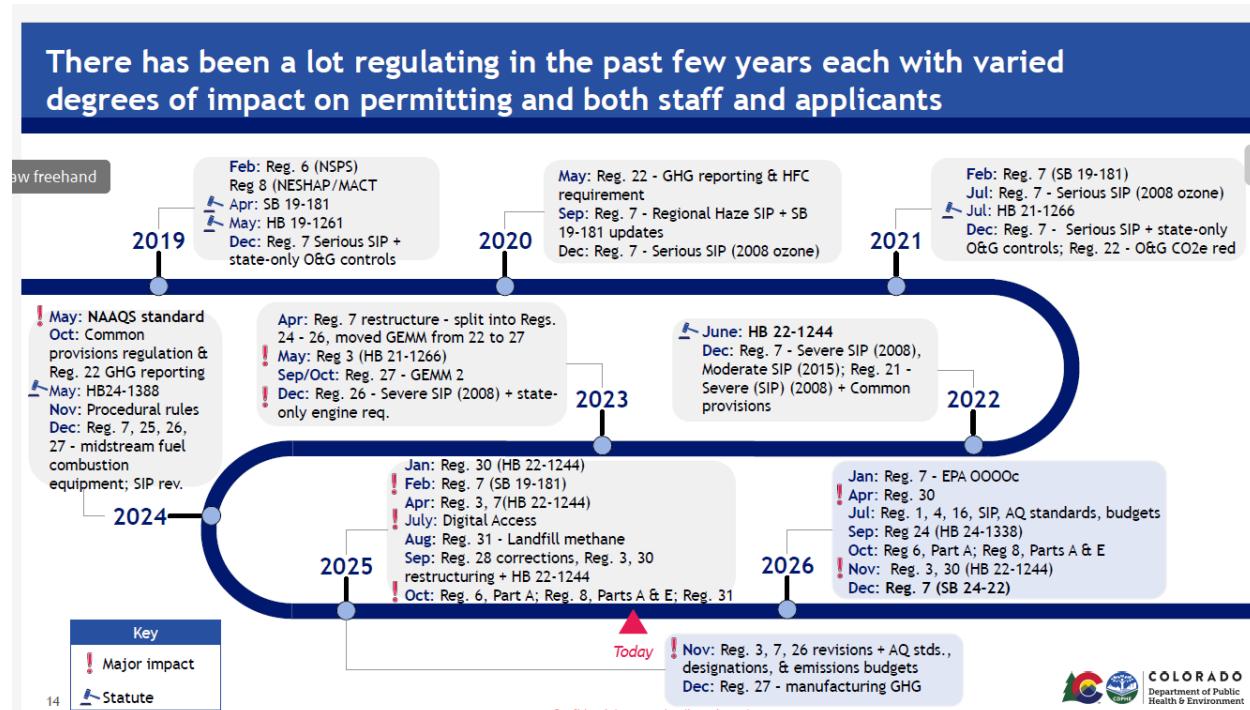
**Increases in Title V Major Source Permits due to Federal Downgrades
(2008 and 2015 Ozone Standards)**

Ozone Reclassification Date	Number of New Title V (TV) Applications Received
January 2021 (Serious Non-Attainment)	58 new initial TV apps
November 2022 (Severe Non-Attainment)	117 new initial TV apps
July 2024 (Serious Non-Attainment)*	3 new initial TV apps
Summer/Fall 2027 (Severe Non-Attainment)*	Estimate of 55 sources impacted. Many of may become new TV major sources.

*Voluntary reclassifications for North Weld County.

Additionally, the Division has also implemented an extensive number of new pieces of air legislation over the past seven years, including Air Toxics Ozone Mitigation Measures (SB24-229), Air Toxics Act (HB22-1244), Building Decarbonization Measures (HB25-1269) and Environmental Justice Disproportionate Impacted Community (HB21-1266). Legislation produces new regulations increasing the complexity and extending the time it takes to issue a permit. The Snake Chart below from the Boston

Consulting Group illustrates new legislation and regulations that have been integrated into permits since 2019.



And finally, the Division has been subject of numerous litigations from eNGOs on late TV permits. In December of 2022 these litigations peaked by impacting 23 TV permits. After enormous work from the permitting teams in collaboration with the Attorney General's Office, the Division resolved all of these litigations by July of 2024. However, after a brief pause on litigations in 2024, eNGOs have started suing again on late permits and we currently have three permits affected by these litigations.

However, even with the “Headwinds” the Division has “Tailwinds” that are helping to address the backlog. These include a significant increase in staff capacity, the use of engineering firms when appropriate, and the major, multi-year technology transformation taking us from a paper-based application system to a fully electronic system, all thanks to the modernization DI. The performance experts are also leading with this work by facilitating the technology transformation, considering how AI can reduce processing times without sacrificing protections, and recommending meaningful process efficiency strategies that are being considered for implementation.

11. [Sen. Kirkmeyer] What is the long-term plan for fee increases in the Stationary Sources Control Fund to provide sustainability for the program? Include descriptions of the following:

- *Stakeholder outreach efforts;*
- *Total planned fee increases (including annual emissions per ton, processing fees, and APENs filing fees); and*
- *Any plans to increase accountability and transparency for the regulated community.*

What other Department functions have these fees paid for, including all direct and indirect costs? Provide amounts for each of the last 5 years.

Response: As directed by the JBC, the Air Pollution Control Division is seeking to fully cover its costs through fees as opposed to using General Fund transfers as provided previously. The transfers acted as a runway and let us phase in fee increases to cover new legislation, including Air Toxics Ozone Mitigation Measures (SB24-229), Building Decarbonization Measures (HB25-1269) and Environmental Justice Disproportionate Impacted Community (HB21-1266), and to support our FY 2022-23 modernization decision item, and the IT Capital System permit application modernization project.

The Division is seeking an increase of \$13.5 million in fees in Fiscal Year 2027 and will need to seek a further \$7-8 million in fees in Fiscal Year 2028. The Department has initiated stakeholder outreach by holding informal meetings with regulated entities, as well as other stakeholders, to share background information and communicate the need for additional fees. The Division published an [initial concept document and draft rule](#) on November 10, 2025 and has held/will hold two public meetings (on December 9 and again on January 10) prior to commencing a rulemaking process in front of the Air Quality Control Commission (AQCC) at their hearing on January 15, 2026. The specific changes to annual emission fees, processing fees, and Air Pollutant Emissions Notice (APEN) filing fees to be proposed have been made available with the rulemaking package submitted to the AQCC in mid-December 2025. However, these exact fees are subject to change during the rulemaking process and subject to adoption by the AQCC.

The Division has already begun outreach to regulated entities to share specific numbers ahead of the official rulemaking packet submittal. The Division is also committed to longer term planning with fee payers for future fee increases, especially because the Division has more control over the ability to obtain regular fee increases since fees were recently removed from statute and the authority given to the Air Quality Control Commission. The Division has already collected feedback on where transparency and accountability is desirable, and is committed to working with

the regulated community on opportunities to share such information. Lastly, the upcoming audit in 2026 will aid the Division in identifying opportunities for additional transparency, as well as clarify for the regulated community all of the statutory mandates and how the Division seeks to meet those requirements.

These emissions fees cover all stationary sources permitting, compliance, monitoring, meteorology, administrative, shared services, modeling and other core services in the Division through the Stationary Sources Control Fund (SSCF). The tables below include where all SSCF expenditures occurred, including indoor air, which is covered by separate fees to the same fund. In 2025, the Division also began collecting fees to support the climate program , which will also be expended from the SSCF.

In addition, the fees cover expenses associated with the Division's programs and regulatory oversight, including indirect costs as well as the Air Quality Control Commission (AQCC), additional legal, HR support, Ombudsman, OIT support and management and specific authorized Environmental Health Sustainability (EHS) programs focused on air quality programs and initiatives.

Stationary Source Control Fund Expenditures 2021-2025 By Program

Program	2021	2022	2023	2024	2025
Admin/Shared Services	\$ 1,058,579	\$ 1,668,053	\$ 2,019,998	\$ 5,145,491	\$ 8,455,332
Climate			\$ 102,384	\$ 1,565,128	\$ 1,802,726
Mobile				\$ 82,246	\$ 81,939
Stationary Sources	\$ 8,434,606	\$ 7,930,084	\$ 3,430,468	\$ 15,833,039	\$ 20,210,441
Technical Services	\$ 1,431,734	\$ 1,436,071	\$ 1,759,081	\$ 3,959,615	\$ 6,477,088
Division Admin (e.g., AQCC, Ombudsman, HR Support, Legal, Other)	\$ 149,552	\$ 164,373	\$ 342,629	\$ 1,971,257	\$ 1,926,564
PERA Distribution	\$ -				\$ 409,366
(Not in APCD) Environmental Health and Sustainability	\$ 34,920	\$ 20,799	\$ 73,752	\$ 97,252	\$ 594,254
Indirect Costs	\$ 1,513,783	\$ 1,781,020	\$ 908,500	\$ 629,546	\$ 969,809
Sub Total	\$ 12,623,174	\$ 13,000,400	\$ 8,636,812	\$ 29,283,574	\$ 40,927,519
Expended via General Fund based on FY23 Decision Item			\$ 17,877,545		
Total	\$ 12,623,174	\$ 13,000,400	\$ 26,514,357	\$ 29,283,574	\$ 40,927,519

12. [Rep. Taggart] Clarify the timeline for condition #7. It appears that the condition could be met anytime in FY 2026-27, after the necessary fee increase should be in place.

Response: Condition 7 is to “Establish additional backlog reduction goals for fiscal year ending June 30, 2027, upon completion of rulemaking for new fees and evaluation of consultant recommendations.” It is anticipated that the permit backlog reduction target goal for FY 2026-27 will be established as part of the Department’s Wildly Important Goal setting process as described by the SMART Act, due by June 30, 2026. The condition is to hold ourselves accountable to a new WIG that shows significant improvement, based on Boston Consulting Group’s process improvement recommendations. We will present this new WIG to the Governor in the spring for feedback and to demonstrate that we are on track.

Other Fee and Fund Questions

13. [Sen. Bridges] How does the Department approach fee increases and decreases, given that some cash funds seem to be insolvent, while others have large reserves?

Response: The Department monitors all cash funds that receive fee revenue, including tracking projections for current and future year revenue, expenses, and starting and ending balances. Based on these projections, the Department coordinates with the Governor’s Office and OSPB to manage the funds and discuss options for fee increases and decreases, taking into account TABOR constraints, impacts on fee-payers and regulated entities, and long-term budget requirements (e.g. IT capital requirements).

The Department is committed to achieving fiscal sustainability for all of the cash funds the Department manages and is in the process of raising fees for numerous funds in order to ensure solvency and achieve long-term sustainability. In general, the Department supports regular inflationary fee increases in all cases where they are necessary to sustainably fund a given program, and where such increases are not limited by statute. However, it is also important to note that while fee increases can help offset increased expenses, many programs have activities that cannot be fully funded through fee increases alone.

The Department is also committed to complying with the limitation on cash fund excess reserves, per Section 24-75-402, C.R.S. In some cases, this may include pursuing fee decreases, and the Department is currently exploring such decreases for a small number of fees, in coordination with OSPB. However, in other cases the Department may request to maintain a large balance of uncommitted reserves through a waiver in order to budget for large planned future expenses, such as IT capital requirements necessary to replace outdated IT systems, or for other reasons.

14. [Sen. Amabile] How does the State's tipping fee compare to other states, particularly those that use the same mechanism for Superfund operations and management?

Response: Colorado's tipping fee is on the lower end compared to other states. For example, Nebraska's fee is \$1.25, Arkansas' fee is \$1.00, California is at \$1.40, Illinois, Maine, and Pennsylvania are at \$2.00, and some states like Michigan and Iowa range between \$4.00 and \$8.00 per ton. With the recent increases and including the Front Range C3E fee, Colorado's fee would increase to \$1.09 through June 30, 2026, \$1.16 through June 30, 2027, and then \$1.24 thereafter, in line with the current average across the 6 states and still well below Michigan and Iowa. It should also be noted that many states' tipping fees do not include fees to cover the states' Superfund obligations, as many states have state-funded programs for Superfund, for which those fees are collected elsewhere. Including the Front Range C3E fees, Superfund obligations on the Front Range represent 22.58% based on the fees set to start on July 1, 2027.

Budget Balancing Options

15. [Rep. Sirota] Discuss the viability of the following JBC Staff options for budget reductions:

- *A transfer of \$1.3 million from the School and Child Care Clean Drinking Water Cash Fund.*

Response: Based on the estimates in the proposed R-02 Request, this transfer can be accomplished without programmatic changes.

- *A transfer of \$3.0 million from the Community Impact Cash Fund.*

Response: A \$3 million transfer from CICF is feasible. As of November 21, 2025, CICF has an available balance of \$8.7 million, with an estimated ending balance of \$7.1 million at the end of FY 2025-26 after transfers related to SB25-264 and Executive Order D2025 14. Thanks to the Committee's approval of the additional spending authority, CDPHE will be able to meet all of its obligations for this fiscal year. Depleting the fund balance will inhibit the Department's ability to get additional grants out to DI communities in the next grant cycle. The request for proposals for this cycle will be released in the summer of 2026, with grantee selections announced in early 2027 and contracts executed on April 1, 2027.

- *A refinance of General Fund in the Construction Sector line item with the Construction Sector Fund.*

Response: Pursuant to Section 25-8-502 (1.5)(c)(II)(B), the Construction Sector funding ratio should be maintained at 80% cash funds and 20% General Fund. The Department agrees with the staff recommendation that there is sufficient balance to refinance General Fund expenditures for this line item with the Construction Sector Fund for the next three fiscal years.

Air Pollution Control Division

Air Quality Permitting

16. [Sen. Kirkmeyer] Provide the Joint Budget Committee with a budget analysis of how CDPHE's cash funds could be restructured so that more revenue is directed to running and staffing the air permitting program until the backlog is resolved. In the response, include an analysis of how shifting Community Impact Cash Fund dollars toward permitting activities could reduce the backlog.

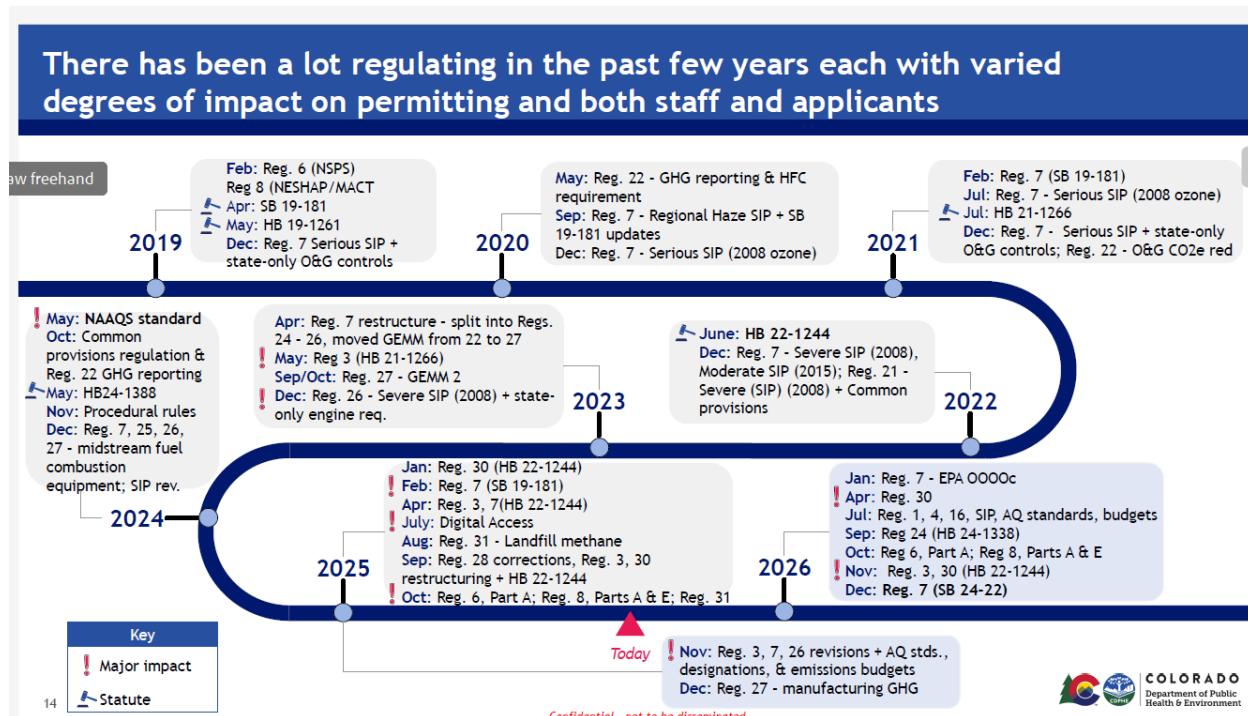
Response: The statutory purpose of the Community Impact Cash Fund (CICF) is to fund environmental mitigation projects and the environmental justice advisory board. The revenue is derived from penalties related to violating air quality laws and regulations. Section 25-7-129(2), C.R.S, directs all collected penalty revenue away from the General Fund and into the CICF. Money in the CICF is, per section 25-7-129(3)(c), exempt from section 24-75-402(3), C.R.S.

If a portion of the CICF funds were authorized to be redirected to the Stationary Sources Control Fund (SSCF), it could help reduce the permitting backlog by providing immediate financial support to increase capacity around permit review, more quickly implement process improvements identified by consultants, and more quickly implement the new permitting technology system. However, any shift in funds from the CICF would also reduce the funding available for environmental justice and environmental mitigation. Such a change could also have unintended consequences by creating a perceived conflict of interest with the Air Pollution Control Division (APCD) assessing penalties to fund its own operations. Regulated sources could then argue the conflict-of-interest leading to longer negotiations, delayed resolution and potentially increasing enforcement backlogs.

17. [Sen. Kirkmeyer] Provide an update on permit processing times for APCD. What permit efficiencies have been implemented in the Division to reduce the backlog? What are the planned future permitting fee increases and cash fund balances of APCD cash funds?

Response: APCD's volume and complexity of permits has significantly increased since 2019. The following "headwinds" have significantly affected our ability to more efficiently get caught up with an inherited backlog:

Unprecedented Legislative and Regulatory Activity. Over the past seven years, the Air Pollution Control Division has implemented significant pieces of air quality legislation and regulation (see Snake Chart below) making Colorado a national leader in air quality protections. Some legislation resulted in significant changes to our permitting workflows that lengthen review times.



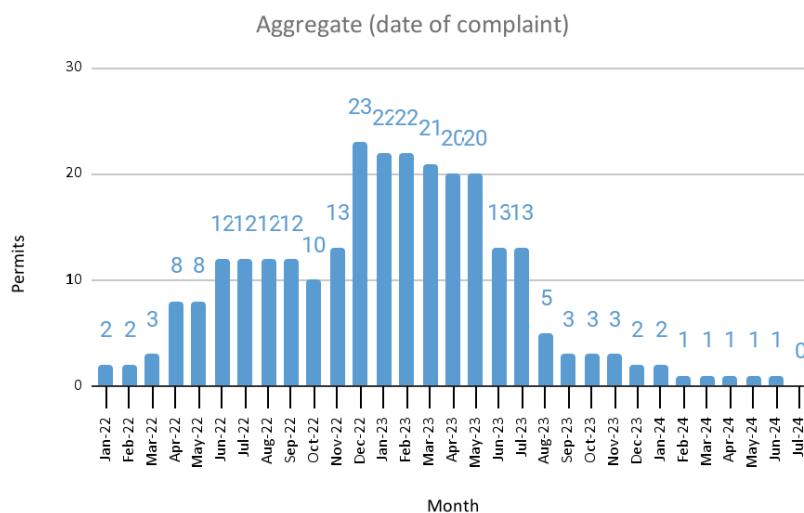
Federal Ozone Downgrades. As a result of the latest federal ozone downgrades from 2021 to 2024 (see table below), the Division now permits 329 TV Sources, which is over 100 new "Title V Major Sources" compared to the 216 in 2020. At the same time, the Division has issued hundreds of synthetic minor permits to sources that required limits to reduce emissions below the Title V Major Source thresholds from each downgrade in reclassification.

Ozone Reclassification Date	Number of Title V Applications Received
January 2021 (Serious non attainment)	58 new initial TV apps
November 2022 (Severe non attainment)	117 new initial TV apps

July 2024 (Serious non attainment)*	3 new initial TV apps
Summer/Fall 2027 (Severe NAA)*	Estimate of 55 sources impacted. Many of them may become new TV major sources. The rest will require a permit to limit emissions.

*Voluntary reclassifications for North Weld County.

Significant Litigation. The Division has been subject of numerous litigations from eNGOs on late TV permits. In December of 2022 these litigations peaked by impacting 23 TV permits. After enormous work from the permitting teams in collaboration with the AGO, the Division resolved all of these litigations by July of 2024. However, after a brief pause on litigations in 2024, eNGOs have started suing again on late permits and we currently have three permits affected by these litigations.



Junior Workforce. As a result of the Air Decision Item (DI) and our ability to hire new staff, plus retirements, staff turnover, and supervisory promotions, the Construction Permitting (CP) - non Oil and Gas (O&G) - team has an average of 2.5 years of experience. The TV team has some experienced staff but most of the permit engineers have been with the Division for less than 3 years. Therefore, a significant amount of supervisor time is dedicated to staff training, development, and oversight. Permit efficiencies are also impacted as new staff learn the processes and nuances of issuing permits.

These “headwinds” dynamics have slowed down our progress in eliminating the backlog. Still, in spite of the challenges we face, we are well positioned to make

significant improvements in reducing the backlog. The major investment provided by the JBC and the phased in fee increases to industry, has allowed us to hire 28 more permitting engineers and supervisors. The Division has also been on a multi-year quest to phase-in a Salesforce permitting database and convert from an outdated paper-based system to a fully electronic process. The full rollout of this new and modern system is scheduled for next year when we expect to gain significant increase in efficiencies to shorten processing times. Additionally, a third party contractor has helped us identify “bottlenecks” in our process and strategies to address them. One of those strategies includes the use of Artificial Intelligence (AI) for targeted elements in air permitting. A preliminary pilot testing showed promising results in reducing the timeline of certain permitting tasks. The use of AI in air permitting and other strategies will be evaluated and implemented over the coming year by our newly hired Chief Operational Improvements Officer.

Across all permitting programs, APCD made a clear and deliberate shift in 2025 toward reducing long-standing backlog, with strong, quantifiable results. For permits that had taken 1,290 days or more to process, APCD completed 163 permits in 2025 compared with just 7 in 2024. This shift is also evident in the mid-range backlog: APCD processed 973 permits in the 215 to 430-day range in 2025 versus 431 in 2024, an increase of approximately 126 percent. Together, these results demonstrate meaningful progress in addressing the oldest permits and reflect a strategic rebalancing of effort toward backlog reduction while continuing to support ongoing permitting needs. We will continue to refine and improve our approach to tackling the backlog through the ongoing operational excellence initiative.

Strategies currently in practice

To reduce the backlog, the Construction Permit (CP) team:

- Updated forms and processes in response to new regulations, and coordinated those efforts with the Title V and Oil & Gas teams for alignment and consistency.
- Updated and revised permit skeletons (templates), and created new skeletons, to reflect changes and reorganization to regulations.
- Continuously works on creating and updating guidance and SOPs for staff, and are currently working on a more formalized training program to facilitate the development of staff.
- Created two team leader positions (one of which has been filled) who will spend up to 50 percent of their time assisting with final permit reviews to help clear the supervisor review queue backlog.

- Identified staff in other programs (who previously worked as permit engineers) who are each devoting an average of 20 percent of their time to permit reviews to further reduce the review queue backlog.
- Launched a pilot program where non-engineering staff (specifically modeling staff) are currently being trained to write permits and who will devote a portion of their time to developing certain types of permits.
- Is developing four general permits that will allow certain source categories to obtain conditional approval for specific activities without the need for an individual construction permit, which will reduce the workload for engineers.
- Is developing standard emission calculators for many scenarios that sources can use to estimate emissions - which will standardize these calculations, provide more certainty for engineers during their assessment, and reduce the time needed for engineers to verify emissions.
- Is developing alternative operating scenarios for like-kind replacement of equipment that would allow sources to conduct these activities (if they don't result in emission increases) without the need for a permit modification, and are working to provide more clarity around regulations that already allow sources to conduct these types of activities for control equipment.
- Have developed a light review/no review category for permits that will allow them to identify permits that can be issued with either no review, and just a cursory review.
- Significant resources dedicated to the Division's data modernization project for processes specific to permitting.

To reduce the backlog, the Oil and Gas program:

- Developed and updated several templates, guidance documents, and SOPs to support staff and O&G operators. Specific examples include:
 - Standardized approval letters for existing General Permit (GP) 11 applications,
 - a tool to assist in Environmental Justice (EJ) regulatory applicability,
 - publication of the nine (9) general permits used by the O&G industry and
 - an FAQ document related to the GP revisions.
- Developed a new facility-wide general permit for well production facilities that can be used in both the attainment and non-attainment area. This permit will be available for use in 2026.
- Created a new training position to support the onboarding of new staff (five new staff hired in 2025) as well as continuing education for existing staff.
- Significant resources dedicated to the Division's data modernization project for processes specific to permitting.

To reduce the backlog, the Title V team team:

- Established a Memorandum of Understanding with EPA Region 8, implementing concurrent public comment and EPA review meaning public comment and EPA review period occur at the same time. Provided no significant comments are received, this concurrent review reduces the processing time by at least 30 days.
- Updated and streamlined permit templates as well as updated macros to enable the templates to be auto-populated based on information in the Title V application forms.
- Streamlined and automated letter templates associated with notifications for the permit process.
- Identified additional administrative steps in the workflow that can be transitioned from permit engineers to administrative staff, including updating historical documents for digital accessibility and permit issuance.
- Supports the Data Modernization project to convert the Title V application forms into Salesforce.
- Created two new worklead positions to assist with permit review and training new staff.
- Evaluated the use of AI and after conducting a successful pilot project on the use of AI in regulatory applicability review, Title V is working on implementing this tool in the second half of fiscal year 2026.

Looking ahead: APCD is moving from a series of targeted backlog-reduction actions to a more integrated, systems based approach to continuous improvement. Building on the strategies already underway, the Division will increasingly apply Lean, Six Sigma, and Theory of Constraints methodologies to systematically identify bottlenecks, reduce unnecessary handoffs and rework, standardize high volume activities, and align staffing and technology to the highest constraint points in the permitting lifecycle. This next phase will focus on sustaining gains already achieved, improving predictability and throughput across permitting programs, and creating a continuous improvement framework that allows APCD to proactively manage workload growth and regulatory change.

18. [Sen. Kirkmeyer] What regulations has the AQCC adopted over the last 7 years that are currently under review by federal agencies or courts? If these regulations are overturned and unenforceable, how will CDPHE comply and work with the regulated community? What are the anticipated costs of future AQCC rulemakings?

Response: Federal Court Actions Involving Air Quality Control Commission (AQCC)

Regulations:

- **Regulations 7, 25, 26** (Ozone SIP): In May 2023, EPA approved in part and disapproved in part, various provisions of the ozone State Implementation Plan (SIP). Colorado challenged EPA's disapproval and environmental groups challenged EPA's approval. EPA has since proposed to approve these provisions in full.
- **Regulation 28** (Greenhouse Gas (GHG) buildings regulations): These rules were challenged by the Colorado Apartment Association of Metro Denver and others in federal court, alleging pre-emption under the federal Energy and Conservation Policy Act. This case is pending.
- **Regulation 20** (CA standards for vehicles): Colorado has adopted many of California's motor vehicle standards. No challenges are pending against AQCC regulations, but California's ability to adopt these regulations is under review in multiple federal courts.

State Court Actions Challenging AQCC Regulations:

- **Regulation 3**: Disproportionately impacted (DI) community permitting requirements. These provisions were challenged by GreenLatinos. CDPHE prevailed at the district court and the case is currently on appeal at the Court of Appeals.
- **Regulation 7/26**: Midstream fuel combusting equipment requirements. These provisions were challenged by the West Slope Colorado Oil & Gas Association and several West Slope counties. The case is pending.
- **Regulation 28** (GHG buildings regulation): These rules were challenged by the Colorado Apartment Association of Metro Denver and others in state court. The case is stayed while the federal case moves forward.

If regulations are overturned or deemed un-enforceable our engagement with sources would depend on what the court ruling looks like. In some cases, there may be easy revisions that can address the legal concerns raised in these cases. In other cases, the General Assembly has already taken action to address some of the issues (e.g., the 2026 standards for buildings were addressed by legislation in the 2025 session).

Regarding the costs of rulemakings, rulemakings at the AQCC are time and resource intensive for the AQCC, the Division, and parties. The Division expended over \$4 million in 2025 for Regulatory Affairs staff and operations, which is likely to maintain or increase in coming years. For 2026, the AQCC has already included on their calendar rulemaking efforts for the following, none of which are directly a result of federal or court actions:

February 2026: Regulation Number 7 - Oil & Gas Operations

- The Commission will consider revisions to Regulation Number 7 to address oil and gas operations impacted by EPA's Emission Guideline 40 CFR Subpart 0000c.

April 2026: Regulation Numbers 24, 26 & 30- Toxic Air Contaminants

- The Commission will consider revisions to Regulation Numbers 24, 26 & 30 to address priority TAC control strategies.

May 2026: Regulation Number 3 - Permitting and Emissions Reporting, Regulation Number 7 - Emissions Reporting

- The Commission will consider revisions to Air Pollutant Emission Notice (APEN) requirements and fees.

July 2026: Particulate Matter (PM10) Maintenance Plan Revisions

- The Commission will consider revisions to Regulation Number 1, Regulation Number 4, Regulation Number 16, State Implementation Plan, Specific Regulations for Nonattainment-Attainment/Maintenance Areas (Local Elements), and Air Quality Standards, Designations and Emission Budgets that impact VOC/NOx maintenance plans (Canon City, Pagosa Springs, Telluride, Denver Metro, Aspen, Steamboat Springs, Lamar). May evaluate potential revisions to remove federal enforceability, if no longer necessary.

July 2026: Regulation Number 27 - Manufacturing Sector Greenhouse Gas Emissions Standards

- The Commission will consider revisions to Regulation Number 27 to address greenhouse gas emissions from the industrial and manufacturing sector which revisions follow the Commission's request that the Division review and evaluate the ability of the rule adopted in 2023 to assure sufficient compliance by and compliance pathways for the affected sources.

October 2026: Common Provisions

- The Commission will consider revisions to the Common Provisions regulation to address HB20-1143 with respect to inflation adjustments for maximum fines and penalties for air quality control violations.

October 2026: Regulation Number 6, Part A

- The Commission will consider a proposal to revise Regulation Number 6, Part A (NSPS) to incorporate by reference changes the EPA made to its New Source Performance Standards and/or Emission Guidelines.

October 2026: Regulation Number 8, Parts A & E

- The Commission will consider revisions Regulation Number 8, Parts A and E (MACT Standards) to incorporate by reference changes the EPA made to its National Emission Standards for Hazardous Air Pollutants rules.

November 2026: Regulation Number 29 - Lawn and Garden Equipment Emissions Reductions

- The Commission will consider revisions to Regulation Number 29 to address commercial use restrictions.

December 2026: Particulate Matter (PM2.5) Maintenance Plan Revisions

- The Commission will consider proposed elements to Colorado's infrastructure State Implementation Plans (SIP) under the EPA's revised PM2.5 National Ambient Air Quality Standard.

The costs of the rules themselves (i.e. compliance costs for affected sources) are governed by statute, which requires a detailed examination of the costs and a balancing of costs and benefits for each new rule, which requires specific information on the rules themselves. Therefore, the Division is not able to estimate potential costs of future rules on regulated entities related to any federal or court actions at this time.

19. [Sen. Kirkmeyer] Provide an update on the modernization of computer systems in both the Title V and Minor Source permitting programs. Will these technology updates decrease permitting times, increase transparency, and decrease program costs? If not, explain why it does not. What steps has the APCD taken to modernize and digitize the permitting system and what is the timeline for implementation?

Response: The Air Pollution Control Division (APCD) is undertaking a multi-year data system modernization effort to transition from legacy, paper-based operations to modern, digitable, scalable, and extensible technologies. The effort will yield several benefits, including:

- **Enhanced Customer Experience.** Customers will gain the ability to submit permit applications, compliance documentation, and enforcement materials through a seamless online platform.

- **Operational Efficiency.** Internal staff will benefit from a digitized system that supports expedited processing and information management.
- **Increased Transparency.** Critical information will be more readily accessible to the public and regulated entities.

In addition to the digital transformation of the permitting process, our process improvement work is identifying ways to standardize the permit, reducing the paperwork burden on APCD staff and regulated entities. These efficiencies are being incorporated into the technology. The data modernization project is now nearing the completion of all core permitting actions. Specifically, the Title V Permitting system (Major Sources) is over 80% complete and is in its final testing phase. It is scheduled for go-live in Q2 of calendar year 2026. The Minor Source Permitting Tool is 90% complete and also in the final stages of development and testing. It is scheduled to go-live in Q1 of calendar year 2026.

Each tool being developed will decrease permitting times and improve efficiency and increase transparency and data management. These benefits will be accomplished through mechanisms such as: reduced manual data input by APCD, automatic notifications and action triggers, and consolidation of tools used by the permitting teams. Additionally, regulated entities will be able to track the status of their permit electronically, increasing transparency.

The Division has worked to create 100% online forms, automated work notification, automated action triggers, performance dashboards, document templates that allow for easier permit generation, automatic emission calculations (where possible) and integration with our document repository to make all application materials available to the public sooner than ever before.

Once the permitting tools are launched, the data modernization project will turn its attention toward the inspection, compliance and enforcement aspects of the system.

20. [Sen. Kirkmeyer] Provide an update on Colorado's progress in meeting the EPA's Ozone non-attainment standards. Discuss the SIP process and any plans to submit a 179B waiver to the EPA for international transport of pollutants and other waivers, including wildfire smoke.

Response: In recent years, Colorado has reduced by half the emissions of human generated ozone forming pollution in the Denver Metro /Northern Front Range (DM/NFR).

The State Implementation Plan (SIP) Process update includes a number of key issues. First, the Air Quality Control Commission (AQCC) approved our most recent state

implementation plan in November 2025. The Department is seeking a voluntary reclassification under the 2015 standard (70 ppb) to Severe Nonattainment.

Section 179B of the Clean Air Act (CAA) allows a nonattainment area to avoid consequences of not modeling or monitoring attainment if a nonattainment area would be able to model attainment, or demonstrate the area would have monitored attainment, of the relevant National Ambient Air Quality Standard (NAAQS) but for emissions emanating from outside the United States. The Department is continuing to monitor actions from the EPA regarding 179B in light of federal guidance being revoked and not replaced. At this time we do not have enough information to have a committed path forward.

The Department continues to monitor actions from EPA regarding exceptional events, such as wildfire smoke and stratospheric intrusion, in light of EPA's announced reconsideration of their existing exceptional event rules.

21. [Sen. Kirkmeyer] Does the Department anticipate costs associated with potential litigation for air pollution control activities?

Response: The Division regularly responds to litigation as a function of its core activities and new regulations. The Department has sufficient budgetary resources if current litigation activity matches recent past experience or for any minor cost increases.

22. [Sen. Kirkmeyer] What statistics is the Division collecting on the use of the EnviroScreen Tool? How can the Division determine that it is reaching a diverse group of individuals, as opposed to the same people each time?

Response: The Division uses the EnviroScreen Tool data through the [Environmental Justice \(EJ\) Report Tool for Regulation 3](#). The EJ Report Tool for Regulation 3 pulls EnviroScreen data to generate an EJ Report for a specific location identified. This tool is available to the public and is mainly used by permitted entities because most permits must include an environmental justice report, completed as what is called an "EJ Summary." From September 2024 to September 2025, the Division collected over 1,400 individually generated and submitted reports by permit applicants. Additionally, all statistics regarding the use of the EJ Report Tool are recorded internally by the Division using Salesforce and are publicly shared and updated through the [Environmental Justice Summary Dashboard](#). In a one year period, the EJ Report Tool for Regulation 3 has received over 6,000 site visits. In the year since their launch in November 2024, the English and Spanish versions of [Colorado EnviroScreen 2.0](#) have received an estimated 29,000 site visits, while the Disproportionately Impacted (DI)

Community English and Spanish Maps have had an estimated 11,000 site visits. Overall, the maps have been viewed over 40,000 times.

Given that most permit applicants need to submit an EJ Summary, statewide applicants generally know about this tool. This year, the Community Air Protection & Engagement unit in the Division hosted five tutorial public sessions via Zoom, with over 240 registrants from across the state. Attendees included community groups, non-profit organizations, and disproportionately impacted communities. These meetings allowed attendees to learn more about the permitting and EJ process. The meetings all entailed a step-by-step and bilingual tutorial about how to use the EJ Report Tool for Regulation 3. These tutorials are still available and accessible to the public through the Division's webpages and CDPHE's Youtube channel. Lastly, on a monthly basis, the Division sends newsletters to the public about the monthly statistics of EJ Summaries submitted by facilities, particularly in disproportionately impacted communities, in both English and Spanish.

23. [Sen. Kirkmeyer] Describe the role of the new Chief Operational Improvements Officer and how this role will create systems improvements, efficiencies, and reduce costs to the regulated community.

Response: This is a Senior Executive Services role that was hired together by the APCD Division Director, CDPHE Executive Director, and the Governor's Office. The position is leading the effort to help CDPHE eliminate the APCD permitting backlog by reforming the current permit processing system to reduce inefficiencies. The staff person hired into this role, Chad Whitlock, is an expert in achieving operational excellence of complex systems, and has worked for other governors on large-scale operational improvement efforts.

This position has been leading the work between the Boston Consulting Group and the division to understand bottlenecks, redundancies, root causes, and strategies to speed up permit processing. Additionally, the role is heavily focused on performance management, facilitating agreement on and measurement of key performance indicators (KPIs); leading internal change management; and creating clear operating procedures and guidance documents on standardized work flows to support staff in adopting new permit system improvements. Ultimately, the role will help the Department bring more efficient, predictable, and reliable timelines to the regulated community. In addition, the position will coordinate the performance audit of the Air Pollution Control Division (APCD) by Internal Audit scheduled to occur in accordance with S.B. 25-306 during calendar year 2026.

AQCC Regulation No. 30

24. [Sen. Kirkmeyer] *The Division has struggled to hire sufficient FTE to staff current programs. How will you be able to hire up to 41 additional FTE for a new program when unable to meet current staffing needs? How would creating a new permitting program impact current permit processing timelines? How does the Division plan to meet new permitting obligations while reducing the existing permitting backlog? How will the new program effect current permitting timelines?*

Response: The Division is required by [House Bill 22-1244](#) (Public Protections from Toxic Air Contaminants) to provide a needs assessment to the General Assembly, by December 31, 2025, describing what the Division would need to regulate new, modified, and existing stationary sources that emit priority toxic air contaminants. It is the Division's understanding that the General Assembly will decide whether to adopt legislation to direct, authorize, and fund a permitting program for these pollutants. The Division's historic challenges in hiring staff has been primarily due to a lack of funding. It is our expectation that if the General Assembly votes to implement an air toxics regulatory program, it will sufficiently fund the staff associated with such a program. Both the Division and our Human Resources Office are used to hiring surges and have strategies to help speed up hiring and onboarding. For example, over the past few years, the Division successfully hired all staff authorized by the Decision Item (DI) and other major legislation.

The Division anticipates that hiring additional staff will require existing staff time to hire and train staff, as well as to develop new permitting tools and templates. The Division acknowledges that it may impact the existing permitting backlog and permitting timelines. The needs assessment report includes a discussion on how current modeling and permitting activities are expected to be impacted and a recommendation that regulatory timelines may need to be adjusted to accommodate.

25. [Sen. Kirkmeyer] *Is it reasonable to request an additional \$13 million in fees for a shortfall at the same time creating a program with up to \$11 million in new fees to be paid by many of the same entities?*

Response: The activities funded by the \$13.5 million in fees are unrelated to any potential permitting program for air toxics as contemplated by House Bill 22-1244. The Department is required by House Bill 22-1244 to provide to the General Assembly by December 31, 2025 an assessment to determine the needs of the Division to regulate new, modified, and existing stationary sources that emit priority toxic air contaminants. It is the Department's understanding that the General Assembly will

decide whether to adopt legislation to direct, authorize, and fund a permitting program for these pollutants. The Department will report on the assessment during the hearings held pursuant to the "State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act" prior to the 2026 legislative session.

26. [Sen. Kirkmeyer] What would data collection efforts have been made to show that the rulemaking is necessary?

Response: The Division was required by House Bill 22-1244 to complete a number of rulemaking efforts prior to April 30, 2026, including identifying five priority toxic air contaminants, establishing reporting requirements, developing health based standards, and proposing control requirements for each of the priority toxic air contaminants for new and existing sources. During the development of those rule packages (more information on these packages below), the Division researched other state programs, evaluated state and federal monitoring and modeling for air toxics, and considered the costs of the rules on regulated entities. All of these data were shared during the public rulemaking processes and we can point to the records for each rulemaking for the full list of data collected to support each air toxics rulemaking (see list and links below).

Included with the rulemaking packages, in compliance with the requirements of the Administrative Procedures Act, the Division developed an economic impact analysis, a memorandum of notice that outline the problem and how the proposed regulatory revisions address the problem and development of statement of basis and purpose language that accompany the regulations that outline what changes are being made and why. Further, during each rulemaking process, the Division developed prehearing and rebuttal statements, with attached exhibits, which support the record for regulatory authority, technical feasibility, and cost analysis.

January 2025, adoption of five priority toxic air contaminants (PTAC). See [Rulemaking Hearing - Toxic Air Contaminants - Reg 30.](#)

April 2025, adoption of revised, expanded and new emissions reporting requirements to address gaps in toxic air contaminant emissions reporting. See [Rulemaking Hearing - Permitting and Emissions Reporting - Reg 3,7.](#)

September 2025, adoption of chronic health-protective benchmarks for the five PTAC. See [Rulemaking Hearing - Toxic Air Contaminants - Reg 30.](#)

April 2026, scheduled rulemaking to consider emissions control strategies to reduce emissions of the five PTAC. See [Request Rulemaking Hearing - Toxic Air Contaminants - Regs 24, 26 & 30.](#)

[Sen. Kirkmeyer] Clean Air Oregon, the model for Colorado's permitting needs assessment draft, has struggled with slow permitting, costly administration, significant costs for facilities to prove a negative - that they are not subject to the program, and has not shown clear public health improvements. Why should the State adopt a model that exacerbates many of the same challenges our Division currently struggles with?

Response: The Division is required by House Bill 22-1244 (HB22-1244) to provide to the General Assembly by December 31, 2025 an assessment to determine the needs of the Division to regulate new, modified, and existing stationary sources that emit levels of priority toxic air contaminants. The Division evaluated several programs in the country, and based on that analysis, provided options for an air toxics framework that could be used in Colorado. The Oregon program was chosen as the model program for many reasons detailed in the report, including that it is one of the programs which addressed additive health effects from exposures to multiple PTACs through permitting. These additive health effects were of particular concern for the legislature when it passed HB22-1244, as expressed in the bill's legislative declaration. Additionally, the Clean Air Oregon (CAO) program has reported success in reducing exposure to toxic air contaminants.

Note that the needs assessment report identifies a conceptual program for the purposes of assessing needs (as required); the report also includes a summary of other types of programs for consideration. This "Priority Toxic Air Contaminant (PTAC) Permitting Program Needs Assessment" is currently being finalized and will be submitted to the General Assembly by the end of the year as prescribed by HB22-1244. The Division will report on the assessment during the hearings held pursuant to the "State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act" prior to the 2026 legislative session. The assessment does not conclusively determine what type of program that the General Assembly and/or Air Commission might decide is appropriate for Colorado.

27. *[Sen. Kirkmeyer] How would a new permitting program and associated fee impact or be impacted by TABOR?*

Response: A new permitting program funded by fees would be considered TABOR revenue similar to other permitting fee revenue.

Extended Producer Responsibility

28. *[Sen. Kirkmeyer] Please provide an update on the status of the EPR program and timeline, including the following:*

- *Confirmation that it is consistent with the provisions of the enacting legislation, HB22-1355; and*
- *Whether packaging and materials businesses and industry been provided with an estimate of fees on their materials? If yes, please provide the Committee with a copy of the proposed fee structure.*

Response: The Executive Director appointed Circular Action Alliance (CAA) as Colorado's Producer Responsibility Organization (PRO) on May 1, 2023. CAA submitted their program plan proposal, which lays out details for the statewide recycling program implementation, to the Producer Responsibility Advisory Board (AB) in February 2025. Following the AB's review and submission of amendment requests and comments, CAA submitted an amended plan on June 30, 2025, which the AB recommended for approval on August 14, 2025.

Next, the Department held a 31-day public comment period as part of the Department's 120-day review period. After reviewing the 366 public comments received and conducting an internal technical review of the amended plan, the Division sent a comment letter to CAA on October 20, 2025 requiring 26 additional revisions to address public comments and ensure the program plan is in full compliance with HB 22-1355. The amended program plan, addressing the Department's revisions, was submitted in November 2025. The program plan was approved by the Executive Director on December 10, 2025.

Producers that have registered with CAA have direct access to the finalized producer dues for each material category through CAA's webpage and guidance that CAA developed for producers. The June 2025 draft of CAA's program plan included a dues table identifying the packaging manufacturers' base dues to be assessed by CAA. The Department's October 20, 2025 letter included a requirement for CAA to update the dues table to include final rates. The updated dues table provided in the November 2025 amended program plan is provided below.

Table 34: Illustrative Base Dues and Base Dues with Eco-Modulation Approach 1, By Aggregated Material Category

Material Category Aggregation	Covered Material List	Range Minimum Base Dues	Average Base Dues	Range Maximum Base Dues	Average Base Dues + Eco-Modulation
Paper Products	MRL	6.0 ¢/lb	6.0 ¢/lb	6.0 ¢/lb	6.0 ¢/lb
Glass	MRL	4.2 ¢/lb	4.2 ¢/lb	4.2 ¢/lb	4.0 ¢/lb
Ceramics	NC	44.8 ¢/lb	44.8 ¢/lb	44.8 ¢/lb	47.0 ¢/lb
Aluminum Containers	MRL	2.1 ¢/lb	2.1 ¢/lb	2.1 ¢/lb	2.0 ¢/lb
Aluminum - Other	MRL	14.0 ¢/lb	14.0 ¢/lb	14.0 ¢/lb	14.0 ¢/lb
Aluminum - Other	AML	33.0 ¢/lb	33.8 ¢/lb	34.0 ¢/lb	33.8 ¢/lb
Steel Containers	MRL	7.3 ¢/lb	7.3 ¢/lb	7.3 ¢/lb	7.0 ¢/lb
Steel /Metal - Other	MRL	14.0 ¢/lb	19.9 ¢/lb	32.0 ¢/lb	19.9 ¢/lb
Steel /Metal - Other	AML	34.0 ¢/lb	34.0 ¢/lb	34.0 ¢/lb	34.0 ¢/lb
Steel /Metal - Other	NC	19.1 ¢/lb	19.1 ¢/lb	19.1 ¢/lb	37.0 ¢/lb
Paper/Fiber Packaging	MRL	8.0 ¢/lb	8.8 ¢/lb	13.0 ¢/lb	8.6 ¢/lb
Paper/Fiber Packaging	AML	20.0 ¢/lb	23.2 ¢/lb	30.0 ¢/lb	23.2 ¢/lb
Paper/Fiber Packaging	NC	17.3 ¢/lb	17.3 ¢/lb	17.3 ¢/lb	25.0 ¢/lb
Plastic - Rigid PET	MRL	15.6 ¢/lb	15.9 ¢/lb	17.0 ¢/lb	15.4 ¢/lb
Plastic - Rigid PET	AML	41.3 ¢/lb	43.7 ¢/lb	48.0 ¢/lb	45.5 ¢/lb
Plastic - Rigid HDPE	MRL	14.6 ¢/lb	20.9 ¢/lb	31.0 ¢/lb	20.2 ¢/lb
Plastic - Rigid HDPE	AML	71.0 ¢/lb	71.0 ¢/lb	79.0 ¢/lb	71.0 ¢/lb
Plastic - Rigid Other	AML	50.0 ¢/lb	117.2 ¢/lb	156.0 ¢/lb	117.2 ¢/lb

Plastic - Rigid Other	NC	77.8 ¢/lb	98.2 ¢/lb	160.2 ¢/lb	101.2 ¢/lb
Plastic - Rigid PP	MRL	20.0 ¢/lb	20.9 ¢/lb	25.0 ¢/lb	20.9 ¢/lb
Plastic - Rigid PP	AML	73.0 ¢/lb	77.2 ¢/lb	79.0 ¢/lb	77.2 ¢/lb
Plastic - Flexible	AML	48.0 ¢/lb	48.0 ¢/lb	48.0 ¢/lb	48.0 ¢/lb
Plastic - Flexible	NC	64.0 ¢/lb	69.8 ¢/lb	71.1 ¢/lb	72.2 ¢/lb
Plastic - Other	NC	49.9 ¢/lb	50.0 ¢/lb	50.0 ¢/lb	52.0 ¢/lb
Wood and Other Organics	NC	80.7 ¢/lb	80.7 ¢/lb	80.7 ¢/lb	84.0 ¢/lb
Certified Compostable Packaging and Food Service Ware	NC	25.1 ¢/lb	28.4 ¢/lb	32.0 ¢/lb	29.2 ¢/lb



CDPHE JBC Hearing: Environment

December 17, 2025

Jill Hunsaker Ryan, MPH
Executive Director



COLORADO
Department of Public
Health & Environment

Introductions and Opening Remarks



Colorado Department
of Public Health
and Environment

Agenda

- I. Introductions and Opening Comments.
- II. Department Request Overview.
- III. Request Details.
 - A. R-02: Clean Water in Schools.
 - B. R-03: Closed Landfill Remediation.
 - C. IT-CC-01: Stationary Sources Technology Modernization.
- IV. Updates
 - A. Air Permitting and Stationary Sources.

R-02: Clean Water in Schools



COLORADO
Department of Public
Health & Environment

Keeping Lead Out of Drinking Water for Kids

- More than 4,600 schools and child care facilities were tested for lead
- Approximately 1,100 schools and child care centers needed remediation after testing, or 24 percent.
- Nearly all have been remediated.

This program identifies elevated lead levels in drinking water and then ensures sources are removed and replaced. It turns testing into action – not just data.



COLORADO
Department of Public
Health & Environment

Keeping Lead Out of Drinking Water for Kids

Participation has been strong and statewide:

100% of public schools (pre-K-8)

77% of licensed child care centers

45% of family child care homes

We believe having dollars to fix the problem has been key to such a high participation rate.



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Finishing the Job and Reaching More Kids

We are asking to **retain \$8.7 million in cash funds** to complete this work and protect more children.

What's next?

- Expand testing to **high schools**, where students also drink water daily.
- Reopen the program for **newly licensed child care centers** and those that did not participate earlier.



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R-03: Closed Landfill Remediation



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Closed Landfill Remediation Grant Program

- Program development under HB 23-1194 has been a successful collaboration between CCI and CDPHE
- This Program provides much needed grants to **local governments** to support environmental remediation and mitigation at closed landfills as well as closed landfill management.
- Our proposal requests **\$5.1M in spending authority** to fund approved grant applications for FY 2026-27.
- With this request, the Department will fully expend the original \$15 million appropriated for the grant program.

Grant Program for Remediation of Closed Landfills – Results:

- Groundwater and landfill cover monitoring, maintenance, and repair.
- Private well and surface water sampling for nearby communities.
- Active landslide and stormwater controls.
- Landfill gas and groundwater investigations and remediation systems designed, installed, & operating.

Impact

State investment is preventing contamination, protecting water supplies, and reducing long-term public health and environmental risk – before problems become emergencies.



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Community remediation projects



Bayfield Landfill Groundwater
Monitoring

Granby Landfill Cover
Repair



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IT-CC-01: Stationary Sources Technology Modernization



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Stationary Sources Technology Modernization

- CDPHE requests \$1.7M to fund to the fourth and last phase of the IT capital permitting modernization project.
- This project will replace the outdated (circa 1995) Stationary Sources Program data system.
- The new system will cover all aspects of managing and processing core permitting applications, inspections, enforcement, compliance, billing, and reporting associated with stationary sources and emissions entities within the state.
- The Department has received \$10.6M to fund the first three phases of this project.
- This project is a major strategy for operational efficiencies and reducing backlogs, plus providing a much better user experience and staff and applicants.
- The system is on track for full implementation by June 30, 2028.

Air Permitting and Stationary Sources



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Eliminating permit backlogs are of highest priority for the Governor, the Department and the Division



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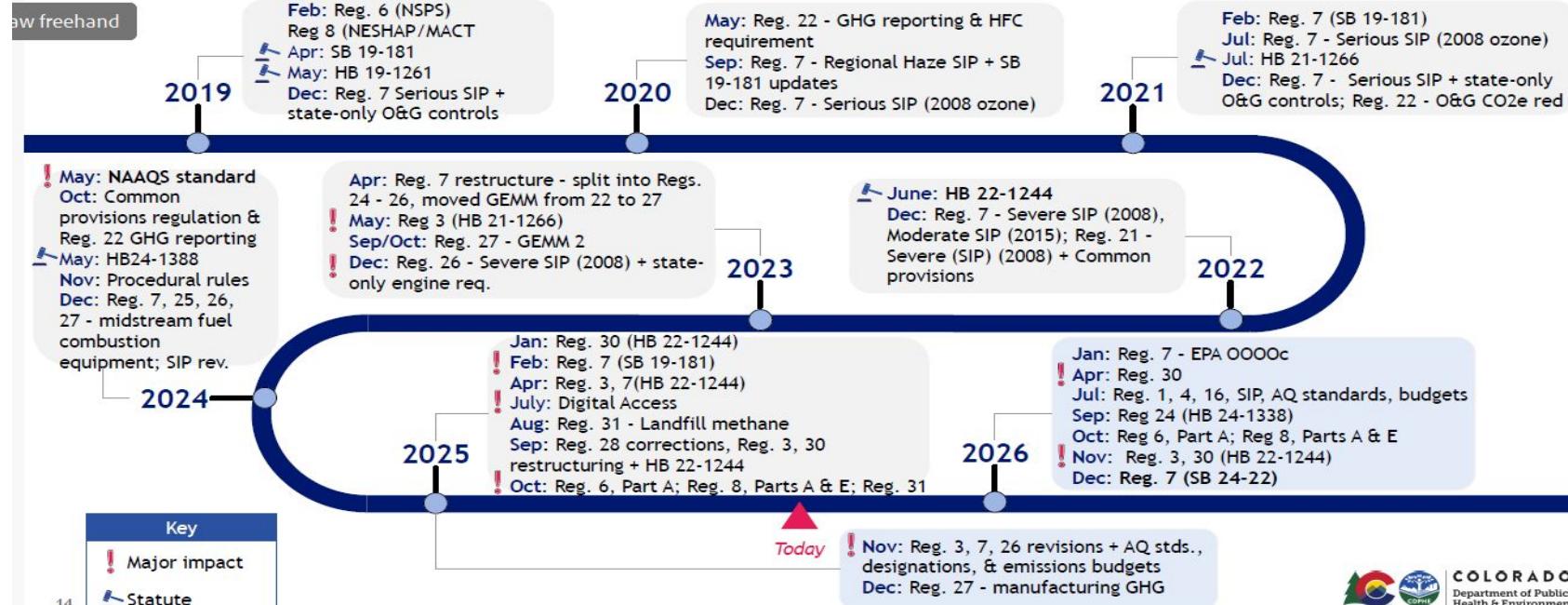
Eliminating the Backlog:

HEADWINDS: The volume and complexity have increased significantly

- APCD has had long standing permit backlogs due to underfunding and lack of staff capacity.
- Significant number of pieces new legislation and regulations over past 7 years (Snake Chart)
- Three federal ozone downgrades since 2019, requiring the permitting of hundreds of new sources
- Significant legislation taking time away from permit staff to respond.
- Young team that requires training
- Working on a data system from 1995

Snake Chart illustrating Legislation and Regulations 2019-2026

There has been a lot regulating in the past few years each with varied degrees of impact on permitting and both staff and applicants



Headwinds: Federal Ozone Reclassifications

Ozone downgrades have added hundreds of new permits

Table showing an increase in permits due to downgrades

Ozone Reclassification Date	Number of Title V Applications Received**
January 2021 (Serious Non Attainment)	58 new initial TV apps
November 2022 (Severe Non Attainment)	117 new initial TV apps
July 2024 (Serious NAA)*	3 new initial TV apps
Summer/Fall 2027 (Severe NAA)*	Estimate of 55 sources impacted. Many of them may become new TV major sources.

*Voluntary reclassifications for North Weld County.

**In addition to the increase in TV sources, reclassifications have resulted in hundreds of synthetic minor applications for sources that took limits to remain below the new major source thresholds.



Tailwinds: What's Working and Moving Us Forward

- Technology upgrade will allow digital transformation from paper-based to an electronic application system
- Air DI allowed the Division to hire dozens of new permitting staff.
- New Senior Executive position in charge of overseeing the initiative to eliminate backlogs
- Clear accountability through performance goals, audits, and reporting.
- Boston Consulting Group and plans to implement process improvement recommendations.

A scenic landscape featuring a calm lake in the foreground, a dense forest of evergreen trees on a hillside to the left, and a range of majestic, snow-capped mountains in the background under a clear sky.

Thank you!



COLORADO
Department of Public
Health & Environment

Public Health and Environment

FY 2026-27 Joint Budget Committee

Post-hearing Responses

Common Questions

1. *Please provide a breakdown of your department's total advertising budget for the current and prior fiscal year. Specifically:*
 - a. *What is the total amount budgeted and expended on advertising and media placement type?*
 - b. *How are those advertising dollars allocated across different media types (e.g., television (national/local/cable), radio (terrestrial vs streaming), SEM, digital (display, YouTube), connected TV, social media, print, outdoor, etc.)?*
 - c. *How much of that spending is directed to Colorado-based or local media outlets? How is the media currently purchased?*
 - d. *What performance metrics or evaluation tools does the department use to measure the effectiveness of these advertising campaigns? What are the goals of the campaigns, and what key performance indicators are measured for success?*
 - e. *If any portion of advertising is managed through third-party vendors (or 'partners'); or media buying firms, please provide any available data or reporting from those companies on campaign performance and spending. How often do the departments discuss media placements with these vendors?*
 - f. *Monthly or quarterly reporting - how is reporting delivered?*

Response: CDPHE manages multiple statewide marketing and educational campaigns on a variety of public health issues, including: immunizations, tobacco cessation, overdose prevention, firearm injury prevention, dementia awareness, mental health, indoor radon, etc. These campaigns can have several public and environmental health objectives:

- Influencing behavior change (e.g., getting up-to-date on vaccines, storing firearms safely, quitting tobacco);
- Promoting awareness and education (e.g., the recent spread of measles, knowing that STIs are treatable, the dangers of indoor radon); and

- Ensuring access to services (e.g., Quitline, mobile vaccine clinics, the Low Income Radon Mitigation Assistance Program).

Overall, these campaigns help Coloradans understand available resources and empower them to take actions that protect health and reduce preventable harm.

A. Total amount budgeted and expended

In total, the Department expended \$5.1 million on advertising in FY 2024-25, up from \$4.1 million in FY 2023-24. The Department projects that spending on advertising in FY 2025-26 will remain consistent with the prior fiscal year. The table below provides an overview of the Department's advertising spending in FYs 2023-24 and 2024-25 by division.

CPDHE Advertising Expenditures, FY 2023-24 & FY 2024-25

Division	FY 2023-24	FY 2024-25
Administrative and Support (ADMIN)	\$40,416	\$11,899
Center for Health and Environmental Data (CHED)	\$95,841	\$10,044
Disease Control and Public Health Response (DCPHR)	\$1,750,098	\$2,450,537
Environmental Health and Sustainability (DEHS)	\$5,974	\$501,533
Hazardous Materials and Waste Management (HMWMD)	\$9,987	\$7,359
Office of HIV, Viral Hepatitis, and STIs (OHVHS)	\$9,249	\$106,217
Prevention Services Division	\$2,177,310	\$2,004,800
Water Quality Control Division (WQCD)	\$3,355	\$4,341
Total	\$4,092,229	\$5,096,729

B. Allocation across media types

The Department utilizes a wide range of media that varies by campaign, but major categories include:

- Television (broadcast, cable, OTT/streaming);
- Radio (terrestrial and streaming);
- Digital video;
- Display/interstitial;

- Paid search;
- Paid social (Meta, TikTok, Snapchat);
- Out-of-home (billboards, transit, posters, gas pump toppers);
- Text messaging (select campaigns); and
- Direct mail.

Example: the current respiratory vaccines campaign allocates 55% social, 30% digital/interstitial, and 15% paid search.

C. Spending directed to Colorado-based outlets and media purchasing

Local spending varies by campaign and media type, and it is dependent on which media the target audience consumes. Many of the Department's most significant advertising and media campaigns utilize a high percentage of Colorado-based outlets:

- Fentanyl Overdose Prevention: 44% of English and 35% of Spanish media was with Colorado-based outlets.
- Get Ahead Colorado: 59% local.
- Let's Talk Guns Colorado: 42% local.
- Operation Veteran Strong: 100% local (radio).
- Talk About Dementia: 26.6% local.
- Tobacco: 52.6% local.

Media is purchased through competitively procured vendors (e.g., Cactus, Inline Media, The Idea Marketing, Grit Digital Health, Explore Communications). Vendors develop plans, negotiate rates, purchase media, and provide regular reporting. CDPHE reviews and approves all plans.

D. Performance metrics, evaluation tools, and goals

Campaigns aim to:

- Increase awareness of health risks and protective actions;
- Educate Coloradans about available services and supports, so they can make informed decisions;
- Reduce barriers to access; and
- Influence behaviors that reduce preventable harm.

Key Performance Indicators:

- Impressions, reach, frequency;
- Clicks and click-through rates;
- Video completion rates;

- Cost-per-click / cost-per-view;
- Website sessions, pageviews, time on page;
- Conversions (e.g., Quitline enrollments, health screenings);
- Engagement metrics for text-based and social campaigns; and
- Post-campaign survey results.

Media campaigns are many times a strategy to compliment larger health promotion efforts aimed at reducing deaths and hospitalizations. In these cases, health outcome measures are tracked as well.

Evaluation tools:

- Weekly or bi-weekly vendor check-ins,
- Online dashboards updated weekly, and
- Google analytics.
- Monthly, quarterly, and year-end reports.
- Independent evaluations for select campaigns.

E. Third-party vendor reporting and coordination

All major campaign advertising is managed through third-party vendors, following the state's procurement rules. CDPHE discusses media placements in:

- Weekly or bi-weekly meetings,
- Media plan review sessions, and
- As-needed check-ins during optimization periods.

Vendors provide detailed spend, channel performance, and KPI reports.

F. Reporting cadence

- Weekly: Dashboard updates.
- Monthly: Media performance reports (most campaigns).
- Quarterly: Tobacco and other large-scale campaigns.
- End-of-campaign / annual: Summary and evaluation reports.

2. *Can you please outline a detailed plan for shifting 5.0 percent of General Fund salaries to cash and/or federal fund sources. Please include the following information:*

- a. A list of positions and associated funding that can be shifted to cash/federal fund sources without any action from the General Assembly.*

b. A list of positions and associated funding that can be shifted to cash/federal fund sources but would require legislation to do so.

What other changes could be made - programmatic or otherwise - that would allow your department greater flexibility to use cash/federal fund sources in place of General Fund for employee salaries?

Response: State agencies are already incentivized to maximize non-GF fund splits for all positions. Where costs can be billed directly to a non-General Fund source, the department is already billing those fund sources. If an agency cannot bill a fund source directly for general support and administration (e.g. accounting, budgeting, leadership positions), costs are billed through indirect cost plans (internal or statewide). In many instances, the indirect cost model is the most efficient way to recover these expenses. Finally, state agencies must be able to draw a line between the work that individual positions execute and the funds that support that activity - the executive branch cannot just choose to fund an employee with federal funds or cash funds based on desire. There must be a business reason.

3. How many hires have been made between the August 27, 2025 hiring freeze executive order and the end of December 2025? Why were these positions hired (e.g., because the position was posted beforehand; an exemption, etc.)? Please provide job classification, division, and fund source (General Fund vs. other funds) for each position hired.

Response: As allowable, we continued hiring for positions funded by federal grants and cash funds, since those do not impact TABOR.

For General Fund positions, we followed the formal exemption process through the Department of Personnel and Administration and as set out by the Governor's Office, which meant:

- Obtaining authorization to hire within the Health Facilities and Emergency Medical Services and Air Pollution Control Divisions. HFEMS is recruiting 38 positions (2 hired), and APCD is recruiting 6 positions (2 hired).
- Moving forward with job postings already in the queue prior to Aug. 28.
- Receiving exemptions in other specific and justified circumstances through the formal process: (1) temporary aide; (1) Training Specialist III in the Evidential Breath Alcohol Testing Program (Laboratory Services Division); and (1) Human Resources Specialist III.

Public Health Hearing Follow-up Questions (Written-only Response)

4. *Of the new programs listed on the slide "CO State Public Health Lab: What's Changed", how many FTE are associated with each program?*

Response:

- **Wastewater disease surveillance:** 6 FTE (4 lab, 1 accessioner, and 1 logistics team member) these positions are associated with avian influenza, measles, mpox, COVID, and RSV, as well as any new or emerging infectious disease we may need to onboard).
- **Expanded sequencing for outbreak response and emerging pathogens:** 13 FTE (13 lab staff) these positions are associated with avian influenza, measles, mpox, COVID, and RSV, as well as any new or emerging infectious disease we may need to onboard. (Note that the total FTE cited in this bullet and the one above are funded via COVID supplemental funds, which are ending July 2027.)
- **Test and Fix Water Lead Testing for Kids:** Ranged from 6 to 2 FTE (contractors) to accommodate testing volume, all FTE are eliminated.
- **Hemp and Natural Medicine laboratory certification and testing:** 2 FTE (1 Health Monitoring, 1 Lab Certification) for Hemp and 6.5 FTE (1 Health Monitoring, 1.5 Lab Certification, 4 lab) for Natural Medicines.
- **Gamete bank, gamete agency, and fertility clinic licensing:** 4 FTE (1 supervisor, 2 inspectors, 1 program assistant).

5. *Within the above slide, how many FTE are associated with each new risk?*

Response: The 19 FTE listed in the first two bullets above are associated with the following risks: measles, COVID-19 like new disease, emerging diseases like Mpoxy, and pandemic precursors. The new risks listed in the slide do not encompass all new risks.

6. *Which of the Department's cash funds have funds that originated as General Fund? For each, how much was originally General Fund?*

Response: The Department manages over 80 cash funds. A small number of these cash funds were initially established with General Fund. Recent cash funds established with a General Fund appropriation are listed in Table 1.

Table 1: CPDHE Cash Funds Established with General Fund, FY 2021-22 to Present

Fund Name	Legislation	Initial General Fund Appropriation	Fiscal Year
Electrifying School Buses Grant Program Cash Fund (ESBG)	SB22-193	\$65,000,000	FY 2021-22
Community Behavioral Health Disaster Program (offered for repeal as an offset for FY 2026-27 budget)	HB21-1281	\$375,000	FY 2021-22
School and Child Care Clean Drinking Water Fund	HB22-1358	\$21,000,000	FY 2022-23
Closed Landfill Remediation Grant Program Fund	HB23-1194	\$15,000,000	FY 2023-24
Mobile Home Park Water Quality Fund	HB23-1257	\$3,611,859	FY 2023-24

In addition, since FY21, a small number of funds in the Department have received direct General Fund infusions to address solvency. A list of those transfers is included in Table 2.

Table 2: General Fund Transfers to CPDHE Cash Funds, FY 2021-22 to Present

	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Stationary Sources Cash Fund (1190)	\$0	\$25,500,000	\$10,000,000	\$0	\$5,000,000
Assisted Living Residence Cash Fund (2460)	\$0	\$2,462,000	\$600,000 (ARPA)	\$0	\$0
Health Facility General Licensure Cash Fund (2650)	\$0	\$1,653,000	\$400,000 (ARPA)	\$0	\$0
Emergency Medical Services Account(4090)	\$0	\$2,000,000	\$0	\$0	\$0
Hazardous Substance Response Fund (HSRF)	\$0	\$0	\$0	\$0	\$6,000,000

Note: Table 2 does not include ARPA funding that was transferred to CDPHE cash funds for purposes other than addressing fund solvency.

7. *How much does the lab cost in total, across all fund sources? How much from each source (GF, CF, RF, FF)?*

Response: The total budget for Laboratory Services in the [FY 2025-26 Long Bill](#) was \$17,777,794. This funding is broken down below:

Table 3: FY 2025-26 Long Bill - Laboratory Services

	Total	General Fund	Cash Funds	Reapprop. Funds	Federal Funds ¹
Chemistry and Microbiology Personal Services	\$6,110,334	\$765,450	\$2,994,333	\$177,889	\$2,172,662
Chemistry and Microbiology Operating Expenses	\$7,840,257	\$1,703,379	\$5,092,502	\$179,676	\$864,700
Certification	\$2,405,268	\$61,631	\$1,900,869	\$253,068	\$189,700
Regulatory Oversight Program	\$424,174	\$276,674	\$22,500	\$125,000	\$0
Natural Medicine Program	\$872,761	\$872,761	\$0	\$0	\$0
Gamete Program	\$125,000	\$125,000	\$0	\$0	\$0
Totals	\$17,777,794	\$3,804,895	\$10,010,204	\$735,633	\$3,227,062

Note: The Cash Funds total in Table 3 includes an estimated \$5,893,491 from the Newborn Screening and Genetic Counseling Cash Funds; \$1,757,817 from the Laboratory Cash Fund; \$1,156,232 from the Marijuana Tax Cash Fund; \$406,755 from the Law Enforcement Assistance Fund; \$22,500 from the Gamete Agency, Gamete Bank, or Fertility Clinic Fund; and \$773,409 from various sources of cash funds.

8. *Please provide more detail on the non-state fund sources that support the lab (the source and approximate amount).*

Response: The State Lab receives federal funding that supports the following Long Bill line items: Chemistry and Microbiology Personal Services, Chemistry and Microbiology Operating Expenses, and Certification. At this time, the Department cannot predict the exact amount of federal funding that the Department will receive for Laboratory Services in FY 2026-27. However, the Governor's FY 2026-27 Budget Request includes

¹ Federal funds are estimates included for informational purposes only.

estimated Federal Funds for each of these line items. These estimates align with those included in the FY 2025-26 Long Bill (see above).

For FY 2024-25, the Department received the following federal grants for Laboratory Services:

Lab SFY25 Federal Funds		
Grant Name	LB Line Item	Amount
State Newborn Screening System Priorities Program	ANL/ANM	\$357,800
Lab Flexible Funding Model	ANL/ANM	\$289,645
Clinical Laboratory Improvement Amendments	ANN	\$328,985
Biowatch	ANM	\$100,000
Public Health Emergency Preparedness Program	ANL/ANM	\$497,228
Emerging Infections Program	HPB ANL ANM	\$1,311,487
Core ELC	ANL/ANM	\$1,441,235
COVID ELC	HPB	\$15,487,649
Wastewater (part of COVID)	HPB ANL ANM	\$7,519,154
ELC SHARP (part of COVID)	HPB ANL ANM	\$1,095,000
Vector-Borne Disease Training Center Subaward	HPB	\$62,596
Tuberculosis Control Program	ANL/ANM	\$33,557
HIV-STI Integrated HIV Surveillance and Prevention	HFT	\$47,371
CDC Public Health Data Modernization	AAA	\$2,405,818
	Total	\$30,977,525