



JOINT BUDGET COMMITTEE STAFF FY 2024-25 BUDGET BRIEFING SUMMARY

Colorado General Assembly
Joint Budget Committee

Office of the Governor
All Divisions Except the Colorado Energy Office

The Office of the Governor includes the functions associated with the Governorship (oversight of executive branch agencies, policy development, communications, and citizen support services), as well as the Office of the Lieutenant Governor, Office of State Planning and Budgeting, Office of Economic Development and International Trade, Office of Information Technology. The Department's FY 2023-24 appropriation represents approximately 1.5 percent of statewide operating appropriations and 0.3 percent of statewide General Fund appropriations.

FY 2023-24 APPROPRIATION AND FY 2024-25 REQUEST

GOVERNOR - LIEUTENANT GOVERNOR - STATE PLANNING AND BUDGETING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2023-24 APPROPRIATION:						
SB 23-214 Long Bill	\$520,235,676	\$48,319,243	\$95,040,576	\$369,056,086	\$7,819,771	1,312.7
Other legislation	112,034,316	1,460,930	108,717,583	1,689,429	166,374	15.6
TOTAL	\$632,269,992	\$49,780,173	\$203,758,159	\$370,745,515	\$7,986,145	1,328.3
FY 2024-25 REQUESTED APPROPRIATION:						
FY 2023-24 Appropriation	\$632,269,992	\$49,780,173	\$203,758,159	\$370,745,515	\$7,986,145	1,328.3
(GOV) R1 Operating increase	75,472	75,472	0	0	0	0.0
(GOV/LG) R2 Press & cmty. engagement	83,487	83,487	0	0	0	0.9
(LG) R1 Tribal & AI/AN Affairs Roadmap	32,676	32,676	0	0	0	0.0
(OEDIT) R1 Advanced Industries program	125,000	125,000	0	0	0	1.0
(OEDIT) R2 Support for Rural Opp Office	153,000	0	0	153,000	0	0.0
(OEDIT) R3 CCI Ops and matching funds	2,500,000	2,500,000	0	0	0	1.0
(OEDIT) R4 Creative districts	540,000	0	540,000	0	0	0.0
(OEDIT) R5 Ag tech recruitment strategy	134,923	134,923	0	0	0	1.0
(OEDIT) R6 Small business support	475,000	475,000	0	0	0	0.0
(OEDIT) R7 PTAC Reauthorization	0	0	0	0	0	0.0
(OIT) R1 Broadband middle mile	278,579	278,579	0	0	0	1.8
Centrally appropriated line items	22,795,023	4,482,400	1,588,276	15,416,660	1,307,687	0.0
Indirect cost adjustment	253,457	0	(139,534)	453,488	(60,497)	0.0
Prior year legislation	(108,629,225)	(817,107)	(108,717,583)	852,189	53,276	2.4
Prior year budget action	(5,699,319)	(1,057,491)	(346,570)	(3,991,019)	(304,239)	6.8
Nonprioritized requests	(657,590)	451,850	0	(1,109,440)	0	0.0
TOTAL	\$544,730,475	\$56,544,962	\$96,682,748	\$382,520,393	\$8,982,372	1,343.2
INCREASE/(DECREASE)	(\$87,539,517)	\$6,764,789	(\$107,075,411)	\$11,774,878	\$996,227	14.9
Percentage Change	(13.8%)	13.6%	(52.6%)	3.2%	12.5%	1.1%

COLORADO ENERGY OFFICE (CEO)

Detailed information about the COLORADO ENERGY OFFICE are contained in separate briefing document, which will be presented to the Joint Budget Committee on the same day as this document. Once published, you may access the other briefing documents by visiting:

OFFICE OF THE GOVERNOR DIVISION (GOV)

(GOV) R1 OPERATING INCREASE: The request includes \$75,472 General Fund in FY 2024-25 and ongoing for the increased operating costs in the Governor's Office, the Lt. Governor's Office, and the Office of State Planning and Budgeting. These operating expense appropriations historically had received regular inflationary adjustments, but have remained nominally flat for at least the past five years despite significant inflationary pressure during that time.

(GOV/LG) R2 PRESS AND COMMUNITY ENGAGEMENT: The request includes \$83,487 General Fund and 0.9 FTE in FY 2024-25 and \$83,071 General Fund and 1.0 FTE ongoing to hire a community engagement coordinator to support the Offices of the Governor, Lt. Governor, and Serve Colorado. This position will coordinate events with external partners and stakeholders across the state, assist with constituent affairs and correspondence functions, and staff the Governor or Lieutenant Governor at such events. Events include, but are not limited to, roundtable discussions, supporting external stakeholder requests, and supporting conferences and meetings.

LIEUTENANT GOVERNOR (LG)

(LG) R1 TRIBAL & AI/AN AFFAIRS ROADMAP: The request includes \$32,676 General Fund to develop a Roadmap on Conducting Tribal and American Indian and Alaska Native Affairs within the state. The Colorado Commission on Indian Affairs requests the funds to conduct two tribal consultations with the Ute Mountain Ute Tribe, two with the Southern Ute Indian Tribe, and one with the other 46 tribes with historic connections to Colorado. It also intends to host listening sessions including one with state agency leadership, one with legislators, and four with the American Indian/Alaska Native communities across the state.

OFFICE OF ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE (OEDIT)

(OEDIT) R1 ADVANCED INDUSTRIES PROGRAM (REQUIRES LEGISLATION): The request is for the Committee to sponsor legislation to continue a transfer of General Fund estimated to be approximately \$7.0 million to the Advanced Industries Cash Fund for an additional eight years. The transfer is from the bioscience income tax withholding growth, which is slated to end in FY 2024-25 despite S.B. 23-066 (AI Acceleration Program) extending the Advanced Industries program through FY 2032-33. The request also includes an ongoing appropriation increase of \$125,000 General Fund for administering the program which assists business in the advances industries with international business development and marketing costs related to export operations. Due to the nature of the transfer, it does not appear in the Office's operating budget.

(OEDIT) R2 SUPPORT FOR RURAL OPPORTUNITY OFFICE: The request includes a one-time increase of \$153,000 reappropriated funds from unspent grant funds remaining in OEDIT's Rural Jump Start Program to support current FTE and operations engaging in rural community outreach. Created by early bill S.B. 23-006 (Rural Opportunity Office), which passed both houses by the middle of April 2023, OEDIT seeks funding not included in the final fiscal note associated with travel expenses, software licensing, and FTE salary differences. Gaps in funding include costs associated with travel to rural communities, operating expenses, and operational support of the Rural Technical Assistance Program.

(OEDIT) R3 CCI OPERATING & MATCHING FUNDS: The request includes \$2.5 million General Fund and 1.0 FTE for the Council on Creative Industries (CCI) to maximize federal matching funds from the National Endowment for the Arts (NEA). The agency is currently funded with an appropriation of \$2,203,000 from the Limited Gaming Cash Fund, as well as direct federal funding from the NEA through an annual partnership agreement. In recent years,

Colorado's allocation of funds from the NEA has grown, which require a 1:1 match, while CCI's allocation from the Limited Gaming Fund has remained flat. CCI provides grantmaking through its Colorado Creates, Arts in Society, Equity in Arts Learning, Advancing Creatives, and Space to Create programs. In addition to direct grantmaking programs, CCI manages programs focused on Creative Aging, Arts in Transportation, Literary Arts, including the Poetry Out Loud and the Poet Laureate programs as well as preserving Colorado's unique cultural heritage, through the Colorado Folk Arts program.

(OEDIT) R4 CREATIVE DISTRICTS (REQUIRES LEGISLATION): The request includes a one-time \$500,000 General Fund transfer to the Colorado Creative Industries Cash Fund and modification of the Creative District Loan Fund statute to allow CCI to expend interest earned on the principal in that fund, which is estimated to be up to \$40,000 in the FY 2024-25 budget year. While this request does have a direct General Fund impact, the budget request submitted only included the cash fund appropriations assuming the transfer is made.

(OEDIT) R5 AG TECH RECRUITMENT STRATEGY: The request includes \$134,923 General Fund and 1.0 FTE in FY 2024-25 and ongoing to support the agricultural technology sector by providing a strategy for industry support, coordination, and development similar to those OEDIT provides other industries such as aerospace and defense. In coordination with the Department of Agriculture the position will utilize the state's agricultural data and insight related to Colorado's performance, opportunities, and risk in the state's agricultural commodities and exports to specifically identify and maximize Colorado's inbound opportunities for investment in the agricultural technology sector both domestically and internationally.

(OEDIT) R6 SMALL BUSINESS SUPPORT (REQUIRES LEGISLATION): The request includes \$475,000 and 1.0 FTE in FY 2024-25 and ongoing to maximize the state's drawdown of small business and economic development funding from the Small Business Administration (SBA), which requires a 1:1 funding match. The Colorado Small Business Development Centers Network is eligible to receive \$2.3 million from the SBA as long as the Lead Center and local locations are able to secure the same amount in match funds. Currently, the Network only receives two Long Bill appropriations annually totaling \$170,144 (7.6 percent of the SBA Grant amount), which places the burden to identify and secure matching funds on each local location as well as the Lead Center. Providing \$475,000 in additional general funds for the SBDC will allow the network to fully match the funding needed for the operations of the Lead Center at OEDIT.

(OEDIT) R7 PTAC REAUTHORIZATION (REQUIRES LEGISLATION): The request includes extending a transfer of \$220,000 General Fund to the Procurement Technical Assistance Program Cash Fund, which is set to make its final transfer on July 1, 2024. The Colorado Procurement Technical Assistance Collaboration (PTAC) provides counseling, education, events, a BidMatch program, access to subject matter experts, networking, and policy guidance to small businesses applying for and receiving federal, state, and local government contracts. PTAC has about 7,000 active clients, which generate contract awards. In 2022, urban small businesses received awards of \$1.4 billion among 360 clients and rural small businesses received awards of \$488 million among 75 clients.

OFFICE OF INFORMATION TECHNOLOGY (OIT)

(OIT) R1 BROADBAND MIDDLE MILE: The request includes \$278,579 General Fund and 1.8 FTE in FY 2024-25 and \$286,133 General Fund and 2.0 FTE in FY 2025-26 and ongoing to establish a comprehensive middle mile program for broadband. The program involves managing middle mile grants, negotiating Public-Private Partnerships (P3s) and unsolicited proposals for state-owned property and rights-of way, as well as developing policies to remove barriers to execution. By consolidating these efforts, OIT aims to advance missing middle mile technology, expand backbone networks to facilitate new last-mile connections across the state, leading to cost savings for customers and the efficient deployment of broadband services.

OTHER CHANGES

CENTRALLY APPROPRIATED LINE ITEMS: The request includes an increase of \$22.8 million total funds, including an increase of \$4.5 million General Fund, for adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; payment to risk management and property funds; Capitol Complex leased space; leased space; and Payments to OIT.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$11,603,882	\$1,348,870	\$683,165	\$9,007,925	\$563,922	0.0
Health, life, and dental	3,639,646	627,238	455,752	2,050,427	506,229	0.0
PERA Direct Distribution	2,535,196	404,813	135,635	2,012,111	(17,363)	0.0
Legal services	1,426,616	1,110,479	0	316,137	0	0.0
AED	1,383,627	236,349	134,039	905,005	108,234	0.0
SAED	1,383,627	236,349	134,039	905,005	108,234	0.0
Paid Family & Medical Leave Insurance	694,848	83,376	41,625	534,666	35,181	0.0
Payments to OIT	394,848	394,848	0	0	0	0.0
Workers' compensation	46,845	0	0	46,845	0	0.0
Short-term disability	41,732	7,095	4,021	27,366	3,250	0.0
Leased space	36,842	36,842	0	0	0	0.0
Vehicle lease payments	118	118	0	0	0	0.0
CORE adjustment	(251,823)	0	0	(251,823)	0	0.0
Shift differential	(60,559)	0	0	(60,559)	0	0.0
Capitol Complex leased space	(41,718)	77,079	0	(118,797)	0	0.0
Risk management & property	(38,704)	(81,056)	0	42,352	0	0.0
TOTAL	\$22,795,023	\$4,482,400	\$1,588,276	\$15,416,660	\$1,307,687	0.0

INDIRECT COST ADJUSTMENT: The request includes a net increase of \$0.3 total funds based on the statewide indirect cost allocation plan and summarized below. The shaded program is included in another briefing document for the Colorado Energy Office.

INDIRECT COST ADJUSTMENT						
SUB-AGENCY REQUESTING CHANGE		TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
(GOV)	Office of the Governor division	\$4,774	\$0	\$0	\$4,774	\$0
(CEO)	Colorado Energy Office	(60,497)	0	0	0	(60,497)
(OEDIT)	Office of Economic Development & International Trade	(139,534)	0	(139,534)	0	0
(OIT)	Office of Information Technology	448,714	0	0	448,714	0
TOTAL		\$253,457	\$0	(\$139,534)	\$453,488	(\$60,497)

PRIOR YEAR LEGISLATION: The request includes a net decrease of just over \$108.6 million total funds, including a decrease of \$0.8 million General Fund, to reflect the out-year impact of bills passed in previous sessions, summarized in the following table.

PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB23-1199 Forensic Evidence	\$799,150	\$0	\$0	\$799,150	\$0	2.0
HB22-1289 Cover all Coloradans	451,446	0	0	451,446	0	0.0
HB23-1309 Film Tax Credit	282,417	0	282,417	0	0	(1.3)
HB 23-1281 Advance clean hydrogen	108,078	108,078	0	0	0	0.9

PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB23-006 Create Rural Opp Office	99,191	99,191	0	0	0	1.0
SB23-172 Protections for Workers	13,878	13,878	0	0	0	0.0
HB 23-1039 Elec resource adequacy	4,913	4,913	0	0	0	0.1
HB22-1244 Toxic Air Contaminants	3,786	0	0	3,786	0	0.0
HB 23-1247 Assess energy solutions	3,276	0	0	(50,000)	53,276	0.0
SB23-283 Infrastructure funding	(84,000,000)	0	(84,000,000)	0	0	0.0
SB23-205 Universal HS Scholarships	(25,000,000)	0	(25,000,000)	0	0	0.2
HB 23-1234 Streamlined solar	(961,922)	(961,922)	0	0	0	0.0
SB22-283 Property Tax	(81,504)	0	0	(81,504)	0	0.0
SB23-192 Pesticide Applicators	(72,150)	0	0	(72,150)	0	0.0
HB22-1361 Oil and Gas reporting	(61,500)	0	0	(61,500)	0	0.0
HB 22-1304 Affordable housing grants	(46,704)	0	0	(46,704)	0	0.0
HB22-1149 AI Tax Credit	(41,931)	(41,931)	0	0	0	0.0
HB21-1279 Occ. Therapy	(40,000)	0	0	(40,000)	0	0.0
HB23-1260 CHIPS	(39,314)	(39,314)	0	0	0	(0.3)
HB23-1086 Asset Forfeiture	(22,000)	0	0	(22,000)	0	(0.2)
HB23-1013 Restrictive practices	(12,000)	0	0	(12,000)	0	0.0
SB23-012 Motor Carriers	(8,910)	0	0	(8,910)	0	0.0
HB23-1267 Double Fines Trucks	(7,425)	0	0	(7,425)	0	0.0
TOTAL	(\$108,629,225)	(\$817,107)	(\$108,717,583)	\$852,189	\$53,276	2.4

PRIOR YEAR BUDGET ACTION: The request includes a net decrease of \$5.7 million total funds, including a decrease of \$1.1 million General Fund, for prior year budget actions summarized in the following table:

PRIOR YEAR BUDGET ACTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY23-24 Data Driven decisions	\$976,990	\$0	\$0	\$976,990	\$0	10.8
FY23-24 Emergency Funds Staff	43,806	43,806	0	0	0	0.4
FY23-24 Behavioral Health	25,777	0	0	25,777	0	0.0
FY23-24 Financial planning	20,442	20,442	0	0	0	0.2
FY23-24 CCIA funding	10,910	10,910	0	0	0	0.2
FY23-24 Asset Management	6,420	0	0	6,420	0	0.2
FY23-24 IT Accessibility	(4,897,704)	(1,132,649)	0	(3,765,055)	0	(5.0)
FY23-24 PEAK Pro	(1,049,230)	0	0	(1,049,230)	0	0.0
FY23-24 salary survey	(650,809)	0	(346,570)	0	(304,239)	0.0
FY23-24 myColorado	(126,000)	0	0	(126,000)	0	0.0
FY23-24 OIT Package	(47,570)	0	0	(47,570)	0	0.0
FY23-24 Veterans Cybersecurity Prog.	(12,351)	0	0	(12,351)	0	0.0
TOTAL	(\$5,699,319)	(\$1,057,491)	(\$346,570)	(\$3,991,019)	(\$304,239)	6.8

NONPRIORITIZED ITEMS: The request includes a net decrease of \$0.7 million total funds, including an increase of \$0.5 million General Fund, for the following nonprioritized request items, which are linked to decision items in other departments and common policy decisions.

NONPRIORITIZED REQUESTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
NP3 DPA Central Services Omnibus	\$1,041,449	\$445,900	\$0	\$595,549	\$0	0.0
NP2 DPA Procurement Equity Ops	114,824	0	0	114,824	0	0.0
NP1 DPA CORE Operating Resources	20,697	5,950	0	14,747	0	0.0
NP4 REV GenTax Support	(1,248,000)	0	0	(1,248,000)	0	0.0
NP5 HCPF Convert Contract to FTE	(586,560)	0	0	(586,560)	0	0.0
TOTAL	(\$657,590)	\$451,850	\$0	(\$1,109,440)	\$0	0.0

SUMMARY OF ISSUES PRESENTED TO THE JOINT BUDGET COMMITTEE

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS: During the 2020B, 2021, 2022, and 2023 legislative sessions, the General Assembly allocated significant one-time funding to the Office of the Governor that included \$1,054.4 million originating as state General Fund and \$561.1 million originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds).

FOR MORE INFORMATION

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TO READ THE ENTIRE BRIEFING: Go to <http://leg.colorado.gov/content/budget/budget-documents> to use the budget document search tool. Select this department's name under *Department/Topic*, "Briefing" under *Type*, and select a *Start date* and *End date* to show documents released in November and December of 2023.