

# JOINT BUDGET COMMITTEE



## OVERVIEW OF FY 2023-24 SUPPLEMENTAL REQUESTS AND THE DECEMBER 2023 REVENUE FORECASTS

JBC WORKING DOCUMENT - SUBJECT TO CHANGE  
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

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# OVERVIEW OF FY 2023-24 SUPPLEMENTAL REQUESTS

## PROCESS FOR MAKING MID-YEAR BUDGET ADJUSTMENTS

In June, September, and November 2023, the Joint Budget Committee (JBC) received and acted on *interim* requests for mid-year appropriation adjustments (called “supplemental requests”). On January 2, 2024, the Governor, Judicial Branch agencies, and independent elected officials submitted *regular* supplemental requests. Over the next two weeks the JBC will consider these supplemental requests and some related policy proposals. Please note that this document does not reflect caseload-driven supplemental requests that may be submitted on Tuesday, January 16, 2024<sup>1</sup>.

On Wednesday, January 24, agencies will have an opportunity to ask the JBC to reconsider actions taken on these requests by submitting “comebacks”. On that same day the JBC will also consider any recommendations from JBC Staff to correct or modify previous actions (known as “staff comebacks”). Once the JBC has finalized decisions concerning mid-year adjustments, JBC staff will draft a supplemental bill for each affected department. Staff in the Office of Legislative Legal Services (OLLS) will draft bills to make any statutory changes that are necessary to implement approved mid-year adjustments (e.g., statutory transfers between funds). The JBC will review and vote on these OLLS bill drafts. In recent years, the Committee has generally introduced all of these mid-year adjustment bills as a “supplemental package.” As required by the 2024 regular session deadline schedule, the Committee will introduce the supplemental package bills in the House by Monday, February 5.

Please note that the JBC may consider additional mid-year budget adjustments in February and March (e.g., adjustments that may be necessary based on the Medicaid caseload and expenditure forecast that will be submitted in mid-February). Any additional approved mid-year adjustments can be included as separate sections within the 2024 Long Bill (known as “add-ons”) or in separate bills that are introduced with the Long Bill.

## REQUESTED MID-YEAR CHANGES FOR FY 2023-24

The existing FY 2023-24 budget that supports state government operations includes General Fund appropriations totaling \$15.1 billion. Table 1 lists the mid-year General Fund appropriation changes that have been requested to date by each department. In addition, in September and December 2023 the Joint Budget Committee approved interim supplemental requests that increase FY 2023-24 operating appropriations by \$1.5 million General Fund. The increases associated with these interim supplementals are also reflected in the requested adjustments in Table 1 because the actual appropriations will need to be included in the departments’ respective supplemental bills. **Overall, the current (January 2) department supplemental requests and approved interim supplemental requests would increase General Fund appropriations for FY 2023-24 by \$116.9 million (0.8 percent). The Committee should note that this change does not include caseload adjustments that will be submitted on January 16, 2024 - and does not include placeholders for other mid-year requests.**

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<sup>1</sup> Pursuant to Section 2-3-208 (3)(b), C.R.S., three sets of supplemental requests are due January 15 (or the next business day) rather than January 2. These include: the Department of Education’s request related to the State share of school districts’ “total program” funding; and requests related to changes in caseload submitted by the Department of Corrections and the Department of Human Services’ Division of Youth Services.

**TABLE 1**  
**GENERAL FUND OPERATING APPROPRIATIONS FOR FY 2023-24 AND**  
**REQUESTED MID-YEAR CHANGES**

DEPARTMENT	CURRENT APPROPRIATION	REQUESTED CHANGES	ADJUSTED APPROPRIATION	PERCENTAGE CHANGE
Agriculture	\$18,030,328	\$72,610	\$18,102,938	0.4%
Corrections	989,200,125	15,097,753	1,004,297,878	1.5%
Early Childhood	306,119,129	(118,489)	306,000,640	(0.0%)
Education	4,670,389,088	31,139,831	4,701,528,919	0.7%
Governor	49,780,173	326,742	50,106,915	0.7%
Health Care Policy and Financing	4,525,518,658	(22,803,632)	4,502,715,026	(0.5%)
Higher Education	1,555,800,543	1,679,075	1,557,479,618	0.1%
Human Services	1,014,436,841	60,739,752	1,075,176,593	6.0%
Judicial	757,088,755	11,027,454	768,116,209	1.5%
Labor and Employment	35,089,687	(101,859)	34,987,828	(0.3%)
Law	24,270,302	188,002	24,458,304	0.8%
Legislature	73,508,585	0	73,508,585	0.0%
Local Affairs	54,875,577	(10,911)	54,864,666	(0.0%)
Military and Veterans Affairs	15,196,589	84,980	15,281,569	0.6%
Natural Resources	42,367,799	225,431	42,593,230	0.5%
Personnel	43,874,455	1,254,060	45,128,515	2.9%
Public Health and Environment	138,311,581	2,065,228	140,376,809	1.5%
Public Safety	286,830,694	14,481,213	301,311,907	5.0%
Regulatory Agencies	13,551,646	27,571	13,579,217	0.2%
Revenue	155,838,838	1,633,132	157,471,970	1.0%
State	12,835,578	(151,651)	12,683,927	(1.2%)
Transportation	500,000	0	500,000	n/a
Treasury	313,780,829	0	313,780,829	0.0%
<b>TOTAL</b>	<b>\$15,097,195,800</b>	<b>\$116,856,292</b>	<b>\$15,214,052,092</b>	<b>0.8%</b>

As shown in the table, the net increase of \$116.9 million General Fund for FY 2023-24 is largely driven by a handful of departments. Particularly significant supplemental requests include:

- \$58.0 million in the Department of Human Services intended to address the competency restoration waitlist (request S1). The Committee is scheduled to hear the staff presentation of this request on January 17, 2024.
- \$30.0 million General Fund Exempt in the Department of Education associated with Healthy School Meals (request S1). The Committee is scheduled to hear this request on January 19, 2024. The Committee should note that the annual request for mid-year adjustments to school finance will be submitted January 16, 2024, and is not included in the changes shown above.
- \$16.5 million spread across multiple agencies for risk management expenses (for losses already incurred that will be paid in FY 2023-24). Especially significant General Fund impacts include \$6.8 million in Corrections, \$4.6 million in Public Safety, \$2.3 million in Human Services, and \$1.9 million in the Judicial Department. The Committee should note that the request does not yet include any costs associated with the recent incident at the Judicial Center.
- \$10.9 million for proposed staffing and housing costs in the Department of Corrections, including \$5.5 million for contracted agency healthcare costs (request S6) and \$4.1 million for additional overtime expenses (request S4). As with the Department of Education, the changes outlined here do not include caseload adjustments anticipated to be submitted on January 16.
- \$7.5 million in the Department of Public Safety for costs associated with retesting DNA samples as well as potential costs associated with the post-conviction review process and presenting criminal cases for re-trial (request S1). The Committee is scheduled to hear this request on January 16, 2024.

- \$4.8 million in the Judicial Department to refinance costs associated with the Judicial Center for FY 2023-24 based in large part on a shortfall of cash funds available (request S3). As noted above, the current request does not include any resources associated with the recent incident at the Judicial Center.

The main reduction reflected in the mid-year request is a decrease of \$22.8 million General Fund in the Department of Health Care Policy and Financing. That reduction is largely associated with Medicaid enrollment forecast changes addressed in the November 1, 2023, budget request.

## JANUARY 2 MID-YEAR BALANCING PROPOSALS

In addition to the appropriation changes called out in Table 1, the Governor's January 2 submittal letter calls out three balancing proposals intended to make additional General Fund available in the current year:

- *FY 2022-23 Reversions:* The January 2 request accounts for \$86.2 million in FY 2022-23 General Fund reversions that were not known at the time of the September revenue forecasts (and thus the November 1 request). **This change increases the beginning balance of the General Fund for FY 2023-24 by \$86.2 million, making that amount available for appropriation in FY 2023-24 or subsequent years.**
- *State Employee Reserve Fund Transfer:* The January 2 request includes a new proposal to transfer \$31.5 million from the balance of the State Employee Reserve Fund to the General Fund in order to make those revenues available for appropriation in FY 2023-24. According to the submittal letter, the request would use those revenues to support supplemental requests for salary adjustments in the Department of Higher Education and employee incentive payments in the Departments of Corrections and Human Services.
- *Department of Revenue Over-appropriation:* The submittal letter cites a \$4.0 million "over-appropriation" to the Department of Revenue in the FY 2023-24 Long Bill (an appropriation for integrated document solutions payments to the Department of Personnel). The letter assumes that elimination of this over-appropriation in FY 2023-24 will make that amount available for other uses. The Governor has not submitted an official supplemental request for the associated reduction – but JBC Staff will likely present a recommendation to take the reduction during the supplemental process.

## FY 2024-25 BUDGET AMENDMENTS

For FY 2024-25, departments have submitted budget amendments that increase total requested General Fund appropriations by \$27.9 million (0.2 percent) above the November 1, 2023, request, from \$16.17 billion to \$16.20 billion. Table 2 details the amendments to each department's General Fund operating appropriation request for FY 2024-25. Please note that this document does not reflect amendments to departments' FY 2024-25 budget requests that may be submitted on Tuesday, January 16<sup>2</sup>, or Medicaid caseload requests that will be submitted in February.

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<sup>2</sup> Pursuant to Section 2-3-208 (2), C.R.S., budget amendments are due January 15 (or the next business day). Agencies typically submit some budget amendments earlier than January 15 if they correspond to a supplemental request.

TABLE 2  
GENERAL FUND OPERATING APPROPRIATION REQUESTS FOR FY 2024-25

DEPARTMENT	NOVEMBER 1, 2023 REQUEST	JANUARY 2, 2024 BUDGET AMENDMENTS	REVISED REQUEST	PERCENTAGE CHANGE
Agriculture	\$22,778,034	\$715,614	\$23,493,648	3.1%
Corrections	1,084,158,869	2,113,382	1,086,272,251	0.2%
Early Childhood	295,264,502	(344,720)	294,919,782	(0.1%)
Education	4,679,444,166	(1,137,240)	4,678,306,926	(0.0%)
Governor	56,544,962	172,384	56,717,346	0.3%
Health Care Policy and Financing	4,966,004,584	4,651,507	4,970,656,091	0.1%
Higher Education	1,548,968,083	8,069,147	1,557,037,230	0.5%
Human Services	1,294,649,549	842,733	1,295,492,282	0.1%
Judicial	868,218,053	9,600,058	877,818,111	1.1%
Labor and Employment	34,706,176	(31,351)	34,674,825	(0.1%)
Law	27,660,074	167,464	27,827,538	0.6%
Legislature	77,099,730	0	77,099,730	0.0%
Local Affairs	61,829,086	(14,123)	61,814,963	(0.0%)
Military and Veterans Affairs	18,269,062	(14,742)	18,254,320	(0.1%)
Natural Resources	45,941,210	(254,453)	45,686,757	(0.6%)
Personnel	16,861,242	(922,210)	15,939,032	(5.5%)
Public Health and Environment	147,727,825	(63,994)	147,663,831	(0.0%)
Public Safety	284,880,003	4,566,082	289,446,085	1.6%
Regulatory Agencies	13,453,719	(5,851)	13,447,868	(0.0%)
Revenue	158,093,105	(162,364)	157,930,741	(0.1%)
State	6,637,063	(7,462)	6,629,601	(0.1%)
Transportation	0	0	0	n/a
Treasury	465,054,069	0	465,054,069	0.0%
<b>TOTAL</b>	<b>\$16,174,243,166</b>	<b>\$27,939,861</b>	<b>\$16,202,183,027</b>	<b>0.2%</b>

Two departments have submitted budget amendments with increases totaling more than \$5.0 million General Fund above the November 1, 2023, request:

- \$9.6 million for Judicial, of which \$8.0 million is associated with S3/BA3 (Ralph L. Carr Judicial Center). Similar to the supplemental request, that General Fund increase includes both an increase in total funds for Judicial Center costs *and* a refinance of existing cash funds appropriations because of a lack of available cash fund revenues.
- \$8.1 million for Higher Education, of which \$7.0 million is associated with BA2 (Covering Classified Employee Step Increases at Institutions of Higher Education).

#### JANUARY 2 BALANCING PROPOSALS OUTSIDE OF CURRENT BUDGET AMENDMENTS

The January 2 request includes three new balancing proposals that are not reflected in the operating appropriations changes shown in Table 2.

- *School Finance:* The January 2 letter discusses a \$50.0 million reduction to the November 1, 2023, General Fund request for school finance (Department of Education request R1). The November 1 request proposed an increase of \$75.0 million General Fund for school finance in FY 2024-25 as part of the request to eliminate the budget stabilization factor. The January 2 submittal letter indicates that the final request will reduce that to a \$25.0 million increase, making the \$50.0 million available for other uses. Based on the submittal letter, JBC staff assumes that the Governor will submit the official request for the change with the January 16 caseload submissions.
- *ARPA Recapture:* The letter discusses an \$11.4 million ARPA “recapture” to reallocate unspent funds from a capital project in the Department of Human Services to offset General Fund in a separate action. **Staff is not including additional discussion of ARPA-related requests in this**

overview document because those items will be covered in greater depth in subsequent documents (beginning with a federal funds discussion currently scheduled for January 16, 2024).

- *Department of Corrections Annualization:* The January 2 proposal includes a reduction of \$11.0 million General Fund in the Department of Corrections (below the November 1 request) to correctly reflect an annualization of prior year legislation. However, JBC staff had already accounted for that annualization in the requested appropriation.

## GOVERNOR’S REQUESTS THAT REQUIRE STATUTORY CHANGES

The State Constitution requires that the annual general appropriation bill (called the “Long Bill”) include only appropriations for agency expenses that are authorized under current law<sup>3</sup>. Most of the funding requested by departments for FY 2023-24 and FY 2024-25 is for purposes authorized under current law, and, if approved, will be included in a 2024 supplemental bill or the 2024 Long Bill. However, budget requests that are contingent on statutory change require separate legislation to make the statutory changes.

The Governor may submit such requests within specific decision items or as legislative proposals outside of the decision items. In the latter case (outside of a decision item), the Governor often includes a “placeholder” to set aside funding for that purpose as part of the overall budget request. In either case, if the General Assembly approves the proposal then it would generally appropriate or transfer the required funds through the separate legislation that includes the necessary statutory changes. The Governor and elected officials often ask the JBC to consider sponsoring some of these bills.

Tables 3 and 4 provide a detailed list of items within the Governor’s budget proposal that would require separate legislation (for both tables, yellow highlights identify items that have changed as a result of the January 2, 2024, budget submission).

- Table 3 identifies items that have been submitted as prioritized decision items or budget amendments and identifies the priority number and title of the request in the “description” column.
- Table 4 identifies items that are placeholders for legislation that have not been submitted as part of prioritized decision items or budget amendments but have been included in the overall budget request (generally through the submittal letter(s)).

Please note that each table separates placeholders based on whether they appear to be requested as *appropriations* or *transfers* from the General Fund. This is an important distinction because the statutory General Fund reserve requirement<sup>4</sup> applies to appropriations, but does not apply to transfers, TABOR refund obligations, or expenditures that are categorized as “rebates and expenditures”. If any of the items that appear to be transfers are instead made available through an appropriation, the General Fund reserve amounts that are reflected in Tables 6 and 7 of this document are understated.

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<sup>3</sup>Article V, Section 32 of the State Constitution specifies the general appropriation bill “shall embrace nothing but appropriations for the expense of the executive, legislative and judicial departments of the state, state institutions...and for public schools. All other appropriations shall be made by separate bills, each embracing but one subject.”

<sup>4</sup>Section 24-75-201.1 (1)(d), C.R.S., requires that the General Assembly maintain an unrestricted General Fund year-end balance each fiscal year equal to 15.0 percent of General Fund appropriations for that same fiscal year. For more information, see the November 15, 2022 JBC Staff budget briefing concerning the Statutory General Fund Reserve: <https://leg.colorado.gov/sites/default/files/gfreserve-11-15-22.pdf>.

TABLE 3  
GOVERNOR'S FY 2024-25 *DECISION ITEMS* THAT REQUIRE STATUTORY CHANGES

DEPARTMENT	DESCRIPTION	TOTAL FUNDS	GENERAL FUND	OTHER FUNDS
<b>Appropriation Changes:</b>				
Agriculture	R2: Division of Animal Welfare	\$741,628	\$741,628	\$0
Corrections	R5: Broadband	199,751	199,751	0
Corrections	R6: Workforce Housing	16,360,000	0	16,360,000
Education	R1: State Share of Total Program Increase (Jan. 2 letter anticipates \$50.0M General Fund decrease)	255,455,136	25,000,000	230,455,136
Education	R2: Categorical Programs Inflation	24,897,897	0	24,897,897
Education	R3: CSI Mill Levy Equalization	(11,876,574)	(27,000,000)	15,123,426
Education	R8: Facility Schools and Residential Child Care Inclusion in Health School Meals Act	0	0	0
Education	R13: Educator Talent Mentorship Grant Program	3,132,271	3,132,271	0
Governor	OEDIT R1: Advanced Industries Accelerator Program	125,000	125,000	0
Governor	OEDIT R2: Support for the Rural Opportunity Office	153,000	0	153,000
Governor	OEDIT R7: Reauthorize PTAC	0	0	0
Health Care Policy and Finance	R6: Provider Rate Adjustment	244,170,406	71,295,814	172,874,592
Health Care Policy and Finance	R9: Access to Benefits	14,297,164	3,122,077	11,175,087
Health Care Policy and Finance	R15: Continuing Support for DH and Hospital Authority	5,000,000	5,000,000	0
Higher Education	History Colorado R1: Collections Care and Storage Lease	500,000	500,000	0
Higher Education	History Colorado R3: 250/150 Commission Outreach	1,000,000	500,000	500,000
Higher Education	History Colorado R9: Indian Boarding School Research Prog.	333,333	333,333	0
Judicial	R7: Ralph Carr Judicial Center	5,756,717	8,009,497	(2,252,780)
Judicial	R10: Judicial Performance Education And Prof. Development	167,383	0	167,383
Labor and Employment	R6: OJT Funding Category and Spend Date Alignment	0	0	0
Local Affairs	R1: Continuation of H.B. 19-1009 Voucher Program	999,479	999,479	0
Military and Veterans Affairs	R4: Veterans Trust Fund Expanded Spending Authority	0	0	0
Natural Resources	R3: Reverse Wildlife Cash and Lottery Transfers	(199,068)	0	(199,068)
Personnel (and all departments)	R1: Central Services Omnibus	25,435,124	(9,997,042)	35,432,166
Public Health and Environment	R2: Stationary Sources Control Fund	5,900,000	0	5,900,000
Public Health and Environment	R3: Sustainable Funding for Health Facility Licensure	2,591,934	2,189,180	402,754
Public Safety	R16: HUTF One-time Cap Adjustment (Withdrawn)	0	(3,811,353)	3,811,353
Regulatory Agencies	R1: Increase Banking Staff in Response to Industry Growth	665,956	0	665,956
<b>Subtotal: Appropriations</b>		<b>\$595,806,537</b>	<b>\$84,150,988</b>	<b>\$511,655,549</b>
<b>Transfers Out:</b>				
Corrections	R6: Workforce Housing	16,000,000	16,000,000	0
Corrections	R5: Broadband	11,407,019	11,407,019	0
Education	R3: CSI Mill Levy Equalization: Transfer \$42.1 million to CSI Mill Levy Equalization Fund	42,123,426	42,123,426	0
Governor	OEDIT R4: Creative Districts Modifications and Funding	540,000	540,000	0



TABLE 3 GOVERNOR'S FY 2024-25 <i>DECISION ITEMS</i> THAT REQUIRE STATUTORY CHANGES				
DEPARTMENT	DESCRIPTION	TOTAL FUNDS	GENERAL FUND	OTHER FUNDS
Public Safety	R2: Invest in Local Crime Prevention Strategies	7,500,000	7,500,000	0
<b>Subtotal: Transfers Out</b>		<b>\$50,163,426</b>	<b>\$50,163,426</b>	<b>\$0</b>
<b>TOTAL</b>		<b>\$645,969,963</b>	<b>\$134,314,414</b>	<b>\$511,655,549</b>

GOVERNOR'S FY 2024-25 LEGISLATIVE PLACEHOLDERS <i>OUTSIDE OF DECISION ITEMS</i>				
DEPARTMENT	DESCRIPTION	TOTAL FUNDS	GENERAL FUND	OTHER FUNDS
<b>Appropriation Changes:</b>				
Agriculture	Equine Welfare	500,000	500,000	0
Agriculture	Authorizing Direct-to-Consumer Sales of Raw Milk	224,000	224,000	0
Agriculture	Pollinator Health	100,000	0	100,000
Agriculture	Reauthorization of Rural Jump Start	22,000	22,000	0
Early Childhood	Middle Income Housing (Special Purpose Transfer)	1,000,000	0	1,000,000
Early Childhood	Bilingual Licensing Unit	277,846	277,846	0
Education	STEM & Out-of-School Time Programs	8,000,000	5,000,000	3,000,000
Education	H.B. 23-1215 Task Force and Academic Enrichment and Work-based Learning (combining two placeholders from 11/1)	5,800,000	5,800,000	0
Education	<del>Placeholder for H.B. 23-1215 Task Force (combined with item above)</del>	<del>800,000</del>	<del>800,000</del>	<del>0</del>
Education	School-based Behavioral Health Support	2,500,000	0	2,500,000
Governor	CBO Modifications and Funding	5,000,000	0	5,000,000
Governor	Employee Ownership Codification and Tax Credit	576,000	576,000	0
Governor	OEDIT Space to Create & Community Revitalization	250,000	250,000	0
Governor	OEDIT Federally Aligned Quantum Tax Credit	0	0	0
Higher Education	Modifying and Expanding Historic Preservation Tax Credit	200,000	200,000	0
Higher Education	Postsecondary Assistance for High School Students Who Experienced Homelessness	177,921	177,921	0
Human Services	Strengthening treatment for high-acuity youth	29,075,524	15,751,735	13,323,789
Human Services	Behavioral Healthcare Continuum Gap Grant Program	8,000,000	8,000,000	0
Human Services	I Matter Continuation (Changed from MTCF to GF)	6,000,000	6,000,000	0
Human Services	Summer EBT	3,500,000	3,500,000	0
Human Services	Kinship Foster Care Homes	1,400,000	1,400,000	0
Human Services	Supporting Survivors to Stabilize Housing	1,000,000	0	1,000,000
Labor and Employment	Apprenticeship Expansion Grant and Tax Credit (increase from \$2.5 million)	6,100,000	6,100,000	0
Labor and Employment	ONA Expansion and Support for New Migrants	2,500,000	2,500,000	0
Legislative Branch	JBC ARPA Placeholder	10,000,000	0	10,000,000
Local Affairs	Strategic Growth	10,000,000	10,000,000	0
Local Affairs	Accessory Dwelling Unit (ADU) Fee Support	10,000,000	0	10,000,000
Local Affairs	Accessory Dwelling Unit (ADU) Financing	8,000,000	2,700,000	5,300,000
Local Affairs	Housing Development Grant Fund Tax Credit Conversion	300,000	300,000	0
Local Affairs	Boosting Affordable Housing Tax Credit for Transit-oriented Developments	300,000	300,000	0
Local Affairs	Incentive for Commercial Residential Conversions	200,000	200,000	0
Natural Resources	Species Conservation Trust Fund Annual Legislation	5,000,000	0	5,000,000
Natural Resources	Wolverine Reintroduction	645,902	0	645,902
Personnel	Sustainability Office (previously Request R4)	1,572,239	1,572,239	0
Personnel	Floodplain Development Permit System	165,606	165,606	0

GOVERNOR'S FY 2024-25 LEGISLATIVE PLACEHOLDERS <i>OUTSIDE OF DECISION ITEMS</i>				
DEPARTMENT	DESCRIPTION	TOTAL FUNDS	GENERAL FUND	OTHER FUNDS
Public Health and Environment	Ozone Reduction Strategies	1,615,000	0	1,615,000
Public Health and Environment	Establish State Dredge and Fill Water Permit Program	577,742	0	577,742
Public Health and Environment	Modernize Pollution Prevention Statute	0	0	0
Public Safety	CBI Reduction in Illegal Firearms	1,690,258	1,690,258	0
Public Safety	Record Sealing Initiative Spending Authority	441,451	441,451	0
Public Safety	CCJJ Successor	300,000	300,000	0
Public Safety	DFPC Employee Reclassification	15,195	15,195	0
Regulatory Agencies	R1: Increase Banking Staff in Response to Industry Growth	665,956	0	665,956
Regulatory Agencies	Placeholder for Natural Medicine	100,000	0	100,000
Regulatory Agencies	PUC Improving Safety of Residential Energy Use	857,690	0	857,690
Revenue	Pre-filled Tax Return to Boos EITC and CTC Claims	250,000	250,000	0
Revenue	Tax Return Checkoff Box for Benefits Outreach	80,000	80,000	0
Revenue	Child Tax Credit (CTC) Adjustment	80,000	80,000	0
Revenue	Department of Revenue Hearings Notifications	30,992	30,992	0
Transportation	Zero Fare for Youth	7,000,000	0	7,000,000
Transportation	Zero Fare for Better Air	7,000,000	0	7,000,000
Unknown	Other Legislative Placeholders	3,674,872	2,797,224	877,648
<b>Subtotal: Appropriations</b>		<b>\$149,091,322</b>	<b>\$77,202,467</b>	<b>\$74,686,079</b>
<b>Transfers Out:</b>				
Governor	Opportunity Now 2.0 (reduced by \$1.0 million)	4,250,000	4,250,000	0
Labor and Employment	Retail EV Charging Stations	263,065	263,065	0
Local Affairs	Transit-oriented Communities Infrastructure	35,000,000	35,000,000	0
Regulatory Agencies	Placeholder for Natural Medicine	100,000	100,000	0
Treasury	Short-term Rental Local Government/Property Taxpayers Reimbursement	15,000,000	15,000,000	0
<b>Subtotal: Transfers Out</b>		<b>\$54,613,065</b>	<b>\$54,613,065</b>	<b>\$0</b>
<b>TOTAL</b>		<b>\$203,704,387</b>	<b>\$131,815,532</b>	<b>\$74,686,079</b>

Please note that in addition to the specific placeholders summarized above, the request includes \$15.0 million General Fund for the Legislative Branch's legislative priorities.

## GOVERNOR'S PLACEHOLDERS FOR INFRASTRUCTURE

Finally, the Governor's revised budget proposal includes additional transfers from the General Fund for capital construction and capital information technology projects in both FY 2023-24 and FY 2024-25.

The November 1 request included \$306.3 million total funds (\$219.5 million General Fund) for infrastructure needs *in FY 2024-25*, including:

- \$86.8 million *cash funds from the Controlled Maintenance Trust Fund balance* to fund controlled maintenance level I projects.
- A transfer of \$154.1 million from the General Fund to the Capital Construction Fund to support 12 capital construction projects in a variety of departments.
- A transfer of \$65.4 million General Fund for capital information technology projects in a variety of departments.

The Governor's January 2 submittal letter proposes to increase infrastructure funding for both FY 2023-24 and FY 2024-25 above the amounts assumed on November 1 (see Table 5 below). For FY 2023-24, the Governor's request proposes to transfer an additional \$22.3 million from the General Fund for infrastructure projects, including \$19.0 million for capital construction and \$3.3 million for capital IT projects.

For FY 2024-25, the changes to the November 1 request include three components:

- *Controlled Maintenance*: The January 2 request proposes an additional \$15.8 million total funds to partially fund controlled maintenance level II projects. That increase includes a transfer of \$5.3 million from the General Fund (shown in Table 5) and an additional \$10.5 million from the balance of the Controlled Maintenance Trust Fund.
- *Capital Construction (facilities)*: The request proposes to transfer an additional \$5.8 million for capital construction projects, in addition to changes to project phasing and prioritization (relative to the November 1 request).
- *Capital IT*: The request proposes to transfer an additional \$12.4 million for capital IT projects.

DEPARTMENT	DESCRIPTION	FY 2023-24 CHANGE	FY 2024-25 REQUEST
Various	Controlled Maintenance Level II (Jan. 2)		\$5,269,987
Various	Capital Construction Projects (Nov. 1)		154,074,229
Various	Capital Construction Projects (Jan. 2)	\$18,962,100	5,840,622
Various	Capital Information Technology Projects (Nov. 1)		65,378,652
Various	Capital Information Technology Projects (Jan. 2)	3,275,000	12,397,841
<b>TOTAL</b>		<b>\$22,237,100</b>	<b>\$242,961,331</b>

*Please note that Andrea Uhl is scheduled to present supplemental capital requests for state facilities (including higher education facilities) on January 18, 2024, and Scott Thompson is scheduled to present capital IT supplemental requests on January 22, 2024.*

## FY 2023-24 AND FY 2024-25 REQUESTS IN THE CONTEXT OF THE DECEMBER 2023 REVENUE FORECASTS

The General Assembly utilized the Office of State Planning and Budgeting (OSPB) March 2023 revenue forecast as the basis for the FY 2023-24 budget. The Governor's based the November 1 budget request for FY 2024-25 on the OSPB September 2023 revenue forecast, and based the January 2 submission on the OSPB December 2023 forecast. In mid-March the JBC will determine which revenue forecast to use as the basis for finalizing FY 2023-24 appropriations and proposing the FY 2024-25 budget.

### COMPARISON OF FORECASTS

**Tables 6 and 7 are intended to provide a framework for the JBC as it moves forward with decisions concerning mid-year adjustments for FY 2023-24, and as it begins taking action on budget requests for FY 2024-25.** These tables are based on the most recent economic and revenue forecasts that were presented to the JBC on December 20, 2023. Table 6 is based on the Legislative Council Staff (LCS) forecast, and Table 7 is based on the OSPB forecast.

For both of these scenarios, staff used the same assumptions about appropriations and transfers from the General Fund (these items are highlighted in yellow in *Appendix A*). Specifically, staff included:

- *Interim* supplemental requests for FY 2023-24 that were approved by the JBC;
- *Regular* supplemental appropriation requests for FY 2023-24 that have been submitted to date;
- Appropriations that have been requested for FY 2024-25 by the Governor, Judicial Branch agencies, and elected officials (including budget amendments that were submitted on January 2); and
- Placeholders identified to date in the Governor's requests for FY 2023-24 and FY 2024-25.

A full General Fund overview for each forecast is included in *Appendix A*.

**Under the OSPB forecast, the total amount of available General Fund is sufficient to cover the requested appropriations and proposed transfers out of the General Fund for FY 2023-24 and FY 2024-25. However, under the LCS forecast, the General Fund reserve would fall short of the statutorily required amount by an estimated \$101.8 million in FY 2023-24 and \$140.4 million in FY 2024-25.**

The most significant differences between the two revenue forecasts include the following:

- The two forecasts anticipate very similar General Fund revenues in FY 2023-24, although the LCS forecast of General Fund revenue is higher than the OSPB forecast throughout the remainder of the forecast period. The LCS forecast of gross General Fund revenue is \$347.9 million higher in FY 2024-25 and \$531.3 million higher in FY 2025-26 (representing 2.8 percent of General Fund revenues in FY 2025-26).
- Both forecasts anticipate that state revenues will exceed the Referendum C cap throughout the forecast period. As expected given the higher General Fund revenue forecast, the LCS forecast projects larger TABOR refund obligations throughout the forecast period. However, due to differences in projections of cash fund revenues that are subject to the TABOR limit, the gap between the two forecasts is larger for TABOR refunds than for General Fund revenues. The gap is \$125.7 million for FY 2023-24 (refunded in FY 2024-25), \$512.2 million for FY 2024-25

(refunded in FY 2025-26) and \$600.1 million for FY 2025-26 (refunded in FY 2026-27). As a result, there is less General Fund available for appropriation under the LCS forecast throughout the forecast period.

- **Overall, the LCS forecast could be considered more conservative for budgeting purposes as it anticipates less General Fund to be available in the current and next two fiscal years.**

Both OSPB and LCS will produce one more revenue forecast before the JBC needs to finalize FY 2023-24 appropriations and propose the FY 2024-25 budget. These forecasts are scheduled to be presented to the JBC on Friday, March 15.

TABLE 6 GENERAL FUND OVERVIEW AS OF JANUARY 11, 2024 LCS DECEMBER 2023 FORECAST, INCLUDING SPECIAL SESSION (\$ millions)				
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
<b>General Fund Available</b>				
1 Beginning Reserve	\$3,203.2	\$2,427.6	\$2,125.2	\$2,209.2
2 Gross General Fund Revenue (excluding Prop FF)	18,002.2	17,523.6	18,579.0	19,601.7
3 Transfers In From Other Funds (current law)	53.5	75.1	81.1	77.2
4 Requested Transfer from Severance Tax	0.0	0.0	50.0	0.0
5 Requested Transfer from State Employee Reserve Fund	0.0	31.5	0.0	0.0
6 <b>Total General Fund Available</b>	<b>\$21,258.9</b>	<b>\$20,057.9</b>	<b>\$20,835.3</b>	<b>\$21,888.1</b>
<b>General Fund Obligations</b>				
7 2023 Regular Session appropriations subject to reserve	\$13,308.1	\$14,843.2	\$15,661.7	\$16,569.7
8 2023B Session appropriations subject to reserve	n/a	3.6	2.2	2.1
9 SB23B-001 Warrant local government reimbursement	n/a	50.7	0.0	0.0
10 2023B Session transfers from General Fund	n/a	15.1	146.0	n/a
11 Rebates and Expenditures (from forecast)	168.7	245.3	186.9	184.6
12 Appropriation from Healthy School Meals Acct.	n/a	145.3	104.3	\$107.4
13 TABOR Refund Obligations	3,683.1	1,777.0	1,792.6	2,013.2
14 Transfers Out and Other Diversions	1,872.0	852.7	732.5	614.5
15 <b>Total General Fund Obligations</b>	<b>\$19,031.9</b>	<b>\$17,932.7</b>	<b>\$18,626.1</b>	<b>\$19,491.5</b>
16 <b>Reversions and Accounting Adjustments</b>	<b>\$200.7</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
17 <b>Fiscal Year-end General Fund Reserve</b>	<b>\$2,427.6</b>	<b>\$2,125.2</b>	<b>\$2,209.2</b>	<b>\$2,396.6</b>
18 Statutorily Required Reserve Percent	15.0%	15.0%	15.0%	15.0%
19 Required Reserve Amount	\$1,996.2	\$2,227.0	\$2,349.6	\$2,485.8
20 Year-end Reserve Above/(Below) Statutory Requirement	\$431.4	(\$101.8)	(\$140.4)	(\$89.1)

TABLE 7 GENERAL FUND OVERVIEW AS OF JANUARY 11, 2024 OSPB DECEMBER 2023 FORECAST, INCLUDING SPECIAL SESSION (\$ millions)				
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
<b>General Fund Available</b>				
1 Beginning Reserve	\$3,203.2	\$2,427.7	\$2,284.1	\$2,504.0

TABLE 7  
GENERAL FUND OVERVIEW AS OF JANUARY 11, 2024  
**OSPB DECEMBER 2023 FORECAST, INCLUDING SPECIAL SESSION**  
(\$ millions)

		FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
2	Gross General Fund Revenue (excluding Prop FF)	18,002.2	17,557.1	18,231.1	19,070.4
3	Transfers In From Other Funds (current law)	53.5	45.4	53.4	61.2
4	Requested Transfer from Severance Tax	0.0	0.0	50.0	0.0
5	Requested Transfer from State Employee Reserve Fund	0.0	31.5	0.0	0.0
6	<b>Total General Fund Available</b>	<b>\$21,258.9</b>	<b>\$20,030.2</b>	<b>\$20,618.6</b>	<b>\$21,635.6</b>
	<b>General Fund Obligations</b>				
7	2023 Regular Session appropriations subject to reserve	\$13,308.1	\$14,843.2	\$15,664.2	\$16,554.5
8	2023B Session appropriations subject to reserve	n/a	\$3.6	\$2.2	\$2.1
9	SB23B-001 Warrant local government reimbursement	n/a	\$50.7	\$0.0	\$0.0
10	2023B Session transfers from General Fund	n/a	\$15.1	\$146.0	n/a
11	Rebates and Expenditures	168.6	175.2	164.4	160.7
12	Appropriation from Healthy School Meals Acct.	n/a	145.3	110.5	78.5
13	TABOR Refund Obligations	3,683.1	1,651.3	1,280.4	1,413.0
14	Transfers Out and Other Diversions	1,872.0	861.8	746.9	626.8
15	<b>Total General Fund Obligations</b>	<b>\$19,031.8</b>	<b>\$17,746.1</b>	<b>\$18,114.6</b>	<b>\$18,835.7</b>
16	<b>Reversions and Accounting Adjustments</b>	<b>\$200.7</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
17	<b>Fiscal Year-end General Fund Reserve</b>	<b>\$2,427.7</b>	<b>\$2,284.1</b>	<b>\$2,504.0</b>	<b>\$2,799.9</b>
18	Statutorily Required Reserve Percent	15.00%	15.00%	15.00%	15.00%
19	Required Reserve Amount	\$1,996.2	\$2,227.0	\$2,350.0	\$2,483.5
20	Year-end Reserve Above/(Below) Statutory Requirement	\$431.5	\$57.1	\$154.0	\$316.4

## PROJECTED FY 2025-26 GENERAL FUND OBLIGATIONS

Staff has included some projections of General Fund Obligations for FY 2025-26 in both scenarios, but they are likely understated.

For *General Fund operating appropriations*, staff has included continuation of requested appropriations for FY 2025-26 plus a projected increase of \$753.4 million, comprised of the following three items:

- **Staff has included an increase of \$495.8 million based on the incremental out-year changes to annualize decision items and budget amendments**, as detailed in Table 8 (and generally based on the out year estimates reflected in the departments' budget requests). Dark blue shading indicates larger increases. The largest component of the increase is the Department of Health Care Policy and Financing's (HCPF's) projection of costs related to Medicaid enrollment and utilization (a total of \$285.8 million to annualize R1 through R5), although there will be further change to those caseload estimates with the February forecast. The other significant component is the proposed \$195.0 million increase in the General Fund share of funding for public schools for FY 2025-26 (though that amount will likely change with the January 16, 2024, caseload submission). Items that have changed as a result of the January 2, 2024, budget submission are highlighted in yellow.

- Staff has included an additional \$89.6 million for **increases in community provider rates**. This amount is based on preliminary information about the total General Fund cost of community provider rate increases requested by departments for FY 2024-25. For purposes of this document, staff simply included the same dollar increase in FY 2024-25, rather than trying to estimate the adjusted base amounts paid to providers statewide. *This is an inherently rough estimate.*
- Staff has included an additional \$117.3 million for FY 2025-26 for **state employee salary increases**. This may be an overestimate – but staff has simply carried forward the same dollar amount as proposed for FY 2024-25. Staff understands that the increase required by the step plan is expected to be lower in FY 2025-26 than in FY 2024-25. Conversely, the estimate does not yet include the associated costs of required employer PERA contributions.
- Staff has included an additional \$50.8 million for FY 2025-26 for **higher education institutions, along with the associated increases required for student financial aid**. This amount assumes approval of the Governor’s FY 2024-25 request for higher education institutions and student financial aid, and provides another 3.5 percent increase for FY 2025-26 based on the forecast inflationary rate for CY 2024.

Finally, staff notes that these estimates likely understate operating appropriations for FY 2025-26 because they currently exclude a projection of amounts likely to be provided for other state employee benefits (e.g., health and life insurance, short-term disability, and family and medical leave).

DEPARTMENT/ DECISION ITEM TITLE	FY 2024-25	FY 2025-26	FY 2025-26 CHANGE
<b>Agriculture</b>			
R2 Division of Animal Welfare	\$741,628	\$664,135	(\$77,493)
R8 Rural Mental Health and Behavioral Health Grant	550,020	0	(550,020)
R10 Business Operations Process Improvements	207,009	0	(207,009)
BA1 Wolf Reintroduction Technical Assistance	580,936	424,647	(156,289)
<b>Corrections</b>			
R4 Transgender Unit and Healthcare	9,012,316	7,888,320	(1,123,996)
R8 Transportation	1,156,457	752,683	(403,774)
R11 Inmate Pay	586,190	1,189,966	603,776
<b>Early Childhood</b>			
R1 Universal Preschool Program	7,580,558	12,347,038	4,766,480
R2 CDEC Departmental Operations	4,010,888	4,245,426	234,538
R4 Universal Preschool and Child Care Workforce Supports	2,262,889	2,375,694	112,805
<b>Education</b>			
R1 State Share of Total Program Increase	75,000,000	270,000,000	195,000,000
R5 School Finance Systems Modernization	200,000	0	(200,000)
R10 CDIP Enhancement	2,000,000	0	(2,000,000)
<b>Governor</b>			
No Changes Greater than \$100,000			
<b>HCPF</b>			
R1 Medical services premiums	268,968,078	498,455,893	229,487,815
R2 Behavioral health programs	7,229,032	28,001,388	20,772,356
R3 Child health plan plus	17,915,399	22,176,142	4,260,743
R4 Medicare Modernization Act state contribution	(3,024,782)	15,965,831	18,990,613
R5 Office of Community Living	28,990,641	41,278,925	12,288,284
R6 Provider Rate Adjustment	71,295,814	94,312,020	23,016,206
R10 Third Party Assessments for Nursing Services	484,650	2,583,151	2,098,501
R11 Program Support	431,818	558,079	126,261



TABLE 8  
INCREMENTAL GENERAL FUND CHANGE FOR DECISION ITEMS AND BUDGET AMENDMENTS  
SUBMITTED FOR FY 2024-25

DEPARTMENT/ DECISION ITEM TITLE	FY 2024-25	FY 2025-26	FY 2025-26 CHANGE
R15 Continuing Support for Denver Health Hosp. Auth.	5,000,000	0	(5,000,000)
S6/BA6 Public Health Emergency Unwind PHE Resources	3,209,498	0	(3,209,498)
S7/BA7 NEMT Provider Credentialing and Reviews	476,316	13,267	(463,049)
S8/BA8 Adjustment to Community-based Access to Services	833,954	1,253,797	419,843
<b>Higher Education</b>			
HC R3 250/150 Commission Outreach	500,000	0	(500,000)
HC R5 Cumbres & Toltec	500,000	0	(500,000)
DHE BA4 Path4Ward Caseload Adjustment	155,823	0	(155,823)
<b>Human Services</b>			
R1 Increase Psychiatric Beds to Reduce Waitlist	75,245,671	70,143,328	(5,102,343)
R5 Right-sizing the Home Care Allowance Approp.	(4,000,000)	(6,000,000)	(2,000,000)
<b>Judicial</b>			
JUD R2 Judicial Case Management System	7,802,236	21,478,411	13,676,175
JUD R7 Ralph L. Carr Judicial Center	8,009,497	3,975,910	(4,033,587)
JUD R12 Leadership Development	500,000	700,000	200,000
JUD R13 Courthouse Furnishings and Infrastructure	145,000	0	(145,000)
OSPD R1 Attorney FTE	14,688,343	13,834,583	(853,760)
OSPD R2 Social Workers and Client Advocates	2,945,761	3,300,526	354,765
OSPD NP1 Annual Fleet Vehicle Request	17,560	116,752	99,192
JUD S7/BA7 Domestic Violence Task Force	250,871	121,714	(129,157)
JUD BA8 Judicial Learning Center Updates	838,711	0	(838,711)
JUD S10/BA10 Courthouse Furnishings	398,000	0	(398,000)
<b>Labor and Employment</b>			
NP3 Central Services Omnibus Request	169,697	0	(169,697)
<b>Law</b>			
No Annualizations Greater than \$100,000			
<b>Local Affairs</b>			
No Annualizations Greater than \$100,000			
<b>Military and Veterans Affairs</b>			
No Annualizations Greater than \$100,000			
<b>Natural Resources</b>			
No Annualizations Greater than \$100,000			
<b>Personnel</b>			
R1 Central Services Omnibus Request	(25,145,325)	(23,097,841)	2,047,484
R3 Apprenticeship and Skills Based Support	325,514	484,432	158,918
R4 Greening Colorado State Government	1,572,239	156,155	(1,416,084)
BA3 Reducing Footprint	700,000	0	(700,000)
BA4 Greening State Government (withdraws R4)	(1,572,239)	(156,155)	1,416,084
<b>Public Health and Environment</b>			
R6 Tuberculosis Infrastructure	305,702	0	(305,702)
R8 Lead Testing Support	1,261,155	950,482	(310,673)
NPBA1 OIT_IT Accessibility	3,510,984	0	(3,510,984)
<b>Public Safety</b>			0
R1 Colorado Auto Theft Prevention Initiative	11,134,192	10,934,192	(200,000)
R3 Forensic Resources to Reduce Auto Theft	1,874,952	3,699,323	1,824,371
R6 Crime Victim Services Funding	3,000,000	0	(3,000,000)
R7 Colorado Nonprofit Security Grant Funding	1,004,607	505,424	(499,183)
R13 CDPS Leased Space	1,079,646	724,146	(355,500)
R16 Highway Users Tax Fund One-time Cap Adjustment	(3,811,353)	0	3,811,353
BA2 National Integrated Ballistic Information Network Expansion	777,292	661,712	(115,580)
BA7 Withdraw R16 HUTF Adjustment	3,811,353	0	(3,811,353)
<b>Regulatory Agencies</b>			
No Annualizations Greater than \$100,000			
<b>Revenue</b>			
No Annualizations Greater than \$100,000			
<b>Treasury</b>			



TABLE 8 INCREMENTAL GENERAL FUND CHANGE FOR DECISION ITEMS AND BUDGET AMENDMENTS SUBMITTED FOR FY 2024-25			
DEPARTMENT/ DECISION ITEM TITLE	FY 2024-25	FY 2025-26	FY 2025-26 CHANGE
No Annualizations Greater than \$100,000			
<b>All other budget items</b>	143,782,199	146,237,949	2,455,750
<b>TOTAL STATEWIDE FOR ALL LONG BILL ITEMS</b>	<b>\$757,477,397</b>	<b>\$1,253,257,445</b>	<b>\$495,780,048</b>

For the Governor's *appropriation placeholders*, staff has assumed the following:

- For placeholders associated with decision items, staff has reflected the continuation amounts assumed in the decision item request. For placeholders outside of decision items, staff has not included continuation in subsequent years, which likely understates the out year impact. Staff will continue to refine the out year impact projections for these proposals throughout the budget process.
- **Staff assumes that the \$15.0 million that is anticipated to be appropriated through various bills that are prioritized by the legislature will remain the same for FY 2025-26.**

For FY 2025-26 *transfers out of the General Fund*, staff has assumed the following:

- For the out-year costs associated with the state facility projects recommended by the Governor, staff has reflected the FY 2025-26 Capital Construction Fund costs that are identified for all capital construction and information technology projects included in the Governor's budget request. Staff has also included \$175.7 million for controlled maintenance projects. This amount is equal to 1.0 percent of the current replacement value of state facilities, consistent with the longstanding recommendation from the Office of the State Architect concerning annual funding for controlled maintenance. For purposes of comparison, the Governor's amended FY 2024-25 budget request includes a total of \$102.6 million for controlled maintenance projects, including \$97.3 million from the balance of the Controlled Maintenance Trust Fund and \$5.3 million requested as a transfer from the General Fund.
- Staff is continuing to work on the out year impact of the other proposed transfers. For those transfers that are in lieu of existing (ongoing) appropriations, staff assumes that the impact will be ongoing. However, some of the transfers are one-time in nature. Staff will continue to refine the out year projections as information becomes available.

# APPENDIX A: GENERAL FUND OVERVIEW DETAIL

GENERAL FUND OVERVIEW AS OF JANUARY 9, 2024					
BASED ON THE LCS DECEMBER 2023 FORECAST					
(\$ millions)					
		FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
<b>General Fund Available</b>					
1	Beginning Reserve	\$3,203.2	\$2,427.6	\$2,125.2	\$2,209.2
2	Gross General Fund Revenue	18,002.2	17,523.6	18,579.0	19,601.7
3	Transfers In (existing law reflected in forecast)	53.5	75.1	81.1	77.2
4	Proposed Transfer from Severance Tax (Nov. 1 Request)			50.0	
	Jan. 1 Proposed Transfer from State Employee Reserve Fund		31.5		
5	<b>Total General Fund Available</b>	<b>\$21,258.9</b>	<b>\$20,057.9</b>	<b>\$20,835.3</b>	<b>\$21,888.1</b>
<b>LESS: General Fund Obligations</b>					
7	Appropriations (Actual, requested, and projected)	\$13,524.2	\$15,093.6	\$16,174.2	\$16,927.7
8	2023B Special Session Appropriations (and annualizations)	n/a	\$3.6	\$2.2	\$2.1
9	Interim supplemental requests approved by JBC (operating)	\$13.3	\$1.5	n/a	n/a
10	Supplementals and budget amendments submitted Jan. 2	n/a	\$115.4	\$27.9	Incl. above
	Placeholder for caseload requests	n/a	\$4.0	(\$44.5)	n/a
11	Requested expenditure proposals subject to reserve <sup>a</sup>	n/a	n/a	\$95.6	n/a
12	Requested revenue proposals subject to reserve <sup>a</sup>	n/a	n/a	(\$244.2)	n/a
13	LESS: Appropriations for rebates and expenditures	(229.4)	(226.1)	(243.1)	(250.6)
14	LESS: Appropriations from Healthy School Meals Account	n/a	(145.3)	(104.3)	(107.4)
15	<b>Subtotal: Appropriations subject to statutory reserve</b>	<b>13,308.1</b>	<b>14,846.7</b>	<b>15,663.9</b>	<b>16,571.8</b>
16	<i>Annual Percent Change</i>	10.5%	11.6%	5.5%	5.8%
17	Rebates and Expenditures (reflected in forecast)	168.7	245.3	186.9	184.6
18	Appropriations from Healthy School Meals Account	n/a	145.3	104.3	107.4
19	TABOR Refund [Article X, Section 20 (7)(d)]				
20	Current year revenue above Referendum C Cap (refunded in following fiscal year)	3,683.1	1,777.0	1,792.6	2,013.2
21	Transfers Out and Other Diversions				
22	2023B Special Session Transfers	n/a	15.1	146.0	n/a
23	SB23B-001 Warrant for Local Government Reimbursement	n/a	50.7	0.0	0.0
24	Transportation (existing law reflected in forecast)	88.0	5.0	117.5	117.5
25	Capital/IT projects	488.3	332.4	219.5	38.6
26	Interim supplemental requests approved by JBC (capital)	0.0	0.0	n/a	n/a
	Jan 2 changes to capital transfers	0.0	22.2	23.5	Incl. above
27	Prop HH hold (eliminated in Jan. 2 letter)	0.0	0.0	0.0	0.0
28	OSPB Estimated cash fund revenue growth	0.0	0.0	0.0	0.0
29	Requested forecast risk buffer	0.0	0.0	0.0	0.0
30	Requested emergency reserve transfer	0.0	0.0	32.0	0.0
31	Requested General Fund transfer holds <sup>a</sup>	0.0	0.0	83.1	42.1
32	Requested revenue proposals not subject to reserve <sup>a</sup>	0.0	(39.5)	(172.9)	(23.5)
33	Other Transfers and Diversions (existing law in forecast)	1,295.7	532.6	429.7	439.7
34	<b>Subtotal: Other Obligations</b>	<b>5,723.8</b>	<b>3,086.0</b>	<b>2,962.3</b>	<b>2,919.6</b>
35	<b>Total General Fund Obligations</b>	<b>\$19,031.9</b>	<b>\$17,932.7</b>	<b>\$18,626.1</b>	<b>\$19,491.5</b>
36	<b>PLUS: Reversions and Accounting Adjustments (including under-refunds of TABOR surpluses from prior years)</b>	<b>\$200.7</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
37	<b>Reserve</b>				
38	<b>Fiscal Year-end General Fund Reserve</b>	<b>\$2,427.6</b>	<b>\$2,125.2</b>	<b>\$2,209.2</b>	<b>\$2,396.6</b>
39	Statutorily Required Reserve Percent	15.0%	15.0%	15.0%	15.0%
40	Required Reserve Amount	\$1,996.2	\$2,227.0	\$2,349.6	\$2,485.8
41	Year-end Reserve Above/(Below) Requirement	\$431.4	(\$101.8)	(\$140.4)	(\$89.1)

# APPENDIX A: GENERAL FUND OVERVIEW DETAIL

GENERAL FUND OVERVIEW AS OF JANUARY 9, 2024					
BASED ON THE OSPB SEPTEMBER 2023 FORECAST, INCLUDING SPECIAL SESSION					
(\$ millions)					
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	
<b>General Fund Available</b>					
1 Beginning Reserve	\$3,203.2	\$2,427.7	\$2,284.1	\$2,504.0	
2 Gross General Fund Revenue	18,002.2	17,557.1	18,231.1	19,070.4	
3 Transfers In (existing law reflected in forecast)	53.5	45.4	53.4	61.2	
4 Proposed Transfer from Severance Tax (Nov. 1 Request)			50.0		
5 Jan. 1 Proposed Transfer from State Employee Reserve Fund		31.5			
6 <b>Total General Fund Available</b>	<b>\$21,258.9</b>	<b>\$20,030.2</b>	<b>\$20,618.6</b>	<b>\$21,635.6</b>	
<b>LESS: General Fund Obligations</b>					
8 Appropriations (Actual, requested, and projected)	\$13,524.2	\$15,093.6	\$16,174.2	\$16,927.7	
9 2023B Special Session Appropriations (and annualizations)	n/a	\$3.6	\$2.2	\$2.1	
10 Interim supplemental requests approved by JBC (operating)	13.3	1.5	n/a	n/a	
11 Supplementals and budget amendments submitted Jan. 2	n/a	\$115.4	\$27.9	Included above	
12 Placeholder for caseload requests	n/a	\$4.0	(\$44.5)	n/a	
13 Requested expenditure proposals subject to reserve <sup>a</sup>	n/a	n/a	\$95.6	n/a	
14 Requested revenue proposals subject to reserve <sup>a</sup>	n/a	n/a	(\$244.2)	n/a	
15 LESS: Appropriations for rebates and expenditures	(229.4)	(226.1)	(234.4)	(243.8)	
16 LESS: Appropriations from Healthy School Meals Account	n/a	(145.3)	(110.5)	(129.4)	
17 <b>Subtotal: Appropriations subject to statutory reserve</b>	<b>13,308.1</b>	<b>14,846.7</b>	<b>15,666.4</b>	<b>16,556.6</b>	
18 <i>Annual Percent Change</i>	10.5%	11.6%	5.5%	5.7%	
19 Rebates and Expenditures (reflected in forecast)	168.6	175.2	164.4	160.7	
20 Appropriations from Healthy School Meals Account	n/a	145.3	110.5	78.5	
21 TABOR Refund [Article X, Section 20 (7)(d)]					
22 Current year revenue above Referendum C Cap (refunded in following fiscal year)	3,683.1	1,651.3	1,280.4	1,413.0	
23 Transfers Out and Other Diversions					
24 2023B Special Session Transfers	n/a	15.1	146.0	n/a	
25 SB23B-001 Warrant for Local Government Reimbursement	n/a	50.7	0.0	0.0	
26 Transportation (existing law reflected in forecast)	88.0	5.0	117.5	117.5	
27 Capital/IT projects	488.3	332.4	219.5	38.6	
28 Interim supplemental requests approved by JBC (capital)	0.0	0.0	n/a	n/a	
29 Jan 2 changes to capital transfers	0.0	22.2	23.5	Included above	
30 Prop HH hold (eliminated in Jan. 2 letter)	0.0	0.0	0.0	0.0	
31 OSPB Estimated cash fund revenue growth	0.0	0.0	0.0	0.0	
32 Requested forecast risk buffer	0.0	0.0	0.0	0.0	
33 Requested emergency reserve transfer	0.0	0.0	32.0	0.0	
34 Requested General Fund transfer holds <sup>a</sup>	0.0	0.0	83.1	42.1	
35 Requested revenue proposals not subject to reserve <sup>a</sup>		(39.5)	(172.9)	(23.5)	
36 Other Transfers and Diversions (existing law in forecast)	1,295.7	541.7	444.1	452.1	
37 <b>Subtotal: Other Obligations</b>	<b>5,723.7</b>	<b>2,899.4</b>	<b>2,448.2</b>	<b>2,279.1</b>	
38 <b>Total General Fund Obligations</b>	<b>\$19,031.8</b>	<b>\$17,746.1</b>	<b>\$18,114.6</b>	<b>\$18,835.7</b>	
39 <b>PLUS: Reversions and Accounting Adjustments (including under-refunds of TABOR surpluses from prior years)</b>	<b>\$200.7</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	
40 <b>Reserve</b>					
41 <b>Fiscal Year-end General Fund Reserve</b>	<b>\$2,427.7</b>	<b>\$2,284.1</b>	<b>\$2,504.0</b>	<b>\$2,799.9</b>	
42 Statutorily Required Reserve Percent	15.0%	15.0%	15.0%	15.0%	
43 Required Reserve Amount	\$1,996.2	\$2,227.0	\$2,350.0	\$2,483.5	
44 Year-end Reserve Above/(Below) Requirement	\$431.5	\$57.1	\$154.0	\$316.4	

<sup>a</sup> See summary tables following the General Fund overview based on the OSPB forecast for the components making up these items.

# APPENDIX A: GENERAL FUND OVERVIEW DETAIL

FY 2024-25 GOVERNOR REQUESTED BUDGET BALANCING PROPOSALS FOR GENERAL FUND OVERVIEW - JANUARY 2, 2024 REQUEST	
CATEGORY/DESCRIPTION	FY 2024-25 GF IMPACT
<b>Governor Requested Expenditure Balancing Proposal Subject to Limit</b>	
Legislative Placeholder (Executive Branch Priorities modified by January 2 request)	\$72,694,132
Legislative Placeholder (Legislative Branch Priorities)	15,000,000
Behavioral/Mental Health Expenses (formerly Revenue Loss Recovery Cash Fund)	7,333,967
Expanding Prosecution for Federal Gun Crimes	599,368
<b>Subtotal: Expenditure Proposals Subject to Limit</b>	<b>\$95,627,467</b>
<b>Governor Requested Revenue Proposals Subject to Limit</b>	
Revenue Loss Recovery Fund Behavioral Health Refinance Balance	(\$153,019,658)
State Employee Reserve Fund Transfer (Jan. 2 proposal)	(\$31,500,000)
ARPA Funds Recapture (reversions and underspent funds)	(22,388,364)
Severance Tax Cash Fund Repurpose (not transferred)	(19,300,000)
General Fund Transfers in Lieu of Appropriations (Reserve Requirement)	(12,300,000)
Non-General Fund for High Acuity Legislation	(5,700,000)
<b>Subtotal: Requested Revenue Proposals Subject to Limit</b>	<b>(\$244,208,022)</b>
<b>Governor Requested General Fund Transfer Holds</b>	
Education R3: CSI Mill Levy Equalization	\$42,123,426
Corrections R6: Workforce Housing	16,000,000
Corrections R5: Broadband	11,407,019
Public Safety: Investment in Local Crime Prevention	7,500,000
Governor OEDIT: Opportunity Now 2.0	5,250,000
Governor OEDIT: Creative Districts Modifications and Funding	500,000
Labor: Retail EV Charging Stations	263,065
DORA: Placeholder for Natural Medicine	100,000
<b>Subtotal: Requested Transfer Holds</b>	<b>\$83,143,510</b>
<b>Governor Requested Revenue Proposals Not Subject to Limit</b>	
Tax Credits, Revenue Reclassification, and Fee Elimination	(\$70,365,500)
Employment Support Fund Enterprise	(63,000,000)
Severance Tax Cash Fund Transfer to Capital Construction Fund	(50,000,000)
Hard (non-cash) Assets in Emergency Reserve	(29,000,000)
<b>Subtotal: Requested Transfer Holds</b>	<b>(\$212,365,500)</b>