

# JOINT BUDGET COMMITTEE



## GENERAL FUND OVERVIEW BASED ON JBC ACTION ON FY 2022-23 SUPPLEMENTAL REQUESTS AND AMENDED BUDGET REQUESTS FOR FY 2023-24

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

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# OVERVIEW OF FY 2022-23 SUPPLEMENTAL REQUESTS

## APPROVED MID-YEAR CHANGES AND AMENDED REQUEST

The existing FY 2022-23 operating budget includes General Fund appropriations totaling \$13.9 billion. Table 1 lists the mid-year General Fund appropriation changes that have been approved to date by the Joint Budget Committee (JBC). **Overall, JBC approved appropriation adjustments decrease General Fund appropriations for FY 2022-23 by \$208.8 million (1.5 percent).**

TABLE 1  
GENERAL FUND OPERATING APPROPRIATIONS FOR FY 2022-23 AND  
RECOMMENDED MID-YEAR CHANGES

| DEPARTMENT                       | CURRENT APPROPRIATION   | CHANGES IN SUPPLEMENTAL APPROPRIATION BILLS | ADJUSTED APPROPRIATION  | PERCENTAGE CHANGE |
|----------------------------------|-------------------------|---|-------------------------|-------------------|
| Agriculture                      | \$14,762,871            | \$24,986                                    | \$14,787,857            | 0.2%              |
| Corrections                      | 899,794,352             | 20,136,687                                  | 919,931,039             | 2.2%              |
| Early Childhood                  | 112,404,354             | (1,634,480)                                 | 110,769,874             | (1.5%)            |
| Education                        | 4,500,295,845           | 132,765                                     | 4,500,428,610           | 0.0%              |
| Governor                         | 57,025,442              | 132,524                                     | 57,157,966              | 0.2%              |
| Health Care Policy and Financing | 4,084,846,478           | (236,762,702)                               | 3,848,083,776           | (5.8%)            |
| Higher Education                 | 1,362,604,354           | (17,742)                                    | 1,362,586,612           | (0.0%)            |
| Human Services                   | 1,057,156,646           | 2,846,085                                   | 1,060,002,731           | 0.3%              |
| Judicial                         | 668,833,828             | 903,461                                     | 669,737,289             | 0.1%              |
| Labor and Employment             | 31,963,389              | (455,024)                                   | 31,508,365              | (1.4%)            |
| Law                              | 20,623,901              | (1,176)                                     | 20,622,725              | (0.0%)            |
| Legislature                      | 66,739,630              | (7,206)                                     | 66,732,424              | (0.0%)            |
| Local Affairs                    | 55,341,549              | 10,435                                      | 55,351,984              | 0.0%              |
| Military and Veterans Affairs    | 12,654,473              | 16,141                                      | 12,670,614              | 0.1%              |
| Natural Resources                | 38,689,351              | 383,523                                     | 39,072,874              | 1.0%              |
| Personnel                        | 27,583,193              | 1,205,212                                   | 28,788,405              | 4.4%              |
| Public Health and Environment    | 199,835,693             | 3,347,178                                   | 203,182,871             | 1.7%              |
| Public Safety                    | 241,687,656             | 464,801                                     | 242,152,457             | 0.2%              |
| Regulatory Agencies              | 3,015,753               | 700,000                                     | 3,715,753               | 23.2%             |
| Revenue                          | 143,622,928             | (218,403)                                   | 143,404,525             | (0.2%)            |
| State                            | 1,151,651               | 0   | 1,151,651               | 0.0%              |
| Transportation                   | 0                       | 0   | 0                       | n/a               |
| Treasury                         | 302,739,712             | 13,813                                      | 302,753,525             | 0.0%              |
| <b>TOTAL</b>                     | <b>\$13,903,373,049</b> | <b>(\$208,779,122)</b>                      | <b>\$13,694,593,927</b> | <b>(1.5%)</b>     |

For FY 2023-24, departments have submitted budget amendments that increase the total requested General Fund appropriations by \$7.8 million (0.1 percent) compared to the November 1, 2022 budget submission. Table 2 details the General Fund impact of budget amendments submitted by each department for FY 2023-24.

TABLE 2  
GENERAL FUND OPERATING APPROPRIATION REQUESTS FOR FY 2023-24

| DEPARTMENT      | NOVEMBER 1, 2022 REQUEST | JANUARY 3 AND 17, 2023 BUDGET AMENDMENTS | REVISED REQUEST | PERCENTAGE CHANGE |
|-----------------|--------------------------|--|-----------------|-------------------|
| Agriculture     | \$15,970,155             | \$1,223,667                              | \$17,193,822    | 7.7%              |
| Corrections     | 955,113,645              | 46,668,347                               | 1,001,781,992   | 4.9%              |
| Early Childhood | 128,867,910              | 11,200,729                               | 140,068,639     | 8.7%              |

**TABLE 2**  
**GENERAL FUND OPERATING APPROPRIATION REQUESTS FOR FY 2023-24**

| DEPARTMENT                       | NOVEMBER 1, 2022<br>REQUEST | JANUARY 3 AND 17,<br>2023 BUDGET<br>AMENDMENTS | REVISED<br>REQUEST      | PERCENTAGE<br>CHANGE |
|----------------------------------|-----------------------------|--|-------------------------|----------------------|
| Education                        | 4,661,206,613               | (29,799,689)                                   | 4,631,406,924           | (0.6%)               |
| Governor                         | 46,400,035                  | 4,358,399                                      | 50,758,434              | 9.4%                 |
| Health Care Policy and Financing | 4,430,841,585               | 8,184,662                                      | 4,439,026,247           | 0.2%                 |
| Higher Education                 | 1,445,219,595               | (4,923,784)                                    | 1,440,295,811           | (0.3%)               |
| Human Services                   | 1,117,393,924               | (45,946,120)                                   | 1,071,447,804           | (4.1%)               |
| Judicial                         | 737,806,584                 | 12,741,463                                     | 750,548,047             | 1.7%                 |
| Labor and Employment             | 30,489,903                  | 1,069,987                                      | 31,559,890              | 3.5%                 |
| Law                              | 23,693,196                  | 839,823  | 24,533,019              | 3.5%                 |
| Legislature                      | 70,076,612                  | 0  | 70,076,612              | 0.0%                 |
| Local Affairs                    | 59,036,867                  | (4,652,428)                                    | 54,384,439              | (7.9%)               |
| Military and Veterans Affairs    | 18,329,266                  | (4,133,930)                                    | 14,195,336              | (22.6%)              |
| Natural Resources                | 42,227,434                  | 538,676  | 42,766,110              | 1.3%                 |
| Personnel                        | 62,424,303                  | 6,556,040                                      | 68,980,343              | 10.5%                |
| Public Health and Environment    | 133,781,655                 | (1,383,494)                                    | 132,398,161             | (1.0%)               |
| Public Safety                    | 305,213,526                 | 2,500,324                                      | 307,713,850             | 0.8%                 |
| Regulatory Agencies              | 3,276,545                   | 5,946  | 3,282,491               | 0.2%                 |
| Revenue                          | 142,306,992                 | 2,623,587                                      | 144,930,579             | 1.8%                 |
| State                            | 12,753,927                  | 0  | 12,753,927              | 0.0%                 |
| Transportation                   | 0                           | 0  | 0                       | n/a                  |
| Treasury                         | 312,725,162                 | 91,065   | 312,816,227             | 0.0%                 |
| <b>TOTAL</b>                     | <b>\$14,755,155,433</b>     | <b>\$7,763,270</b>                             | <b>\$14,762,918,703</b> | <b>0.1%</b>          |

### APPROVED LEGISLATION AND PLACE HOLDERS

The mid-year changes to FY 2022-23 appropriations that are summarized in Table 1 will be included in supplemental appropriation bills for each affected department. In addition, the JBC has approved appropriation changes and transfers that will be included in other bills that make statutory changes. Table 3 lists the bills that the JBC has approved to be drafted for inclusion in the supplemental package of JBC bills that will be introduced on February 6, 2023. These bills appropriate \$5.0 million General Fund and transfer a total of \$16.0 million General Fund in FY 2022-23.

**TABLE 3**  
**GENERAL FUND IMPACT OF SUPPLEMENTAL PACKAGE BILLS**

| DESCRIPTION   | FY 2022-23<br>APPROPRIATION | FY 2022-23<br>TRANSFER OUT OF<br>GENERAL FUND |
|---|-----------------------------|---|
| Information Tech Project Appropriation Process (LLS 23-0645)  | \$0                         | \$0   |
| State Severance Tax Trust Fund Allocation (LLS 23-0792)       | 0                           | 0   |
| Fentanyl Study Deadline and Appropriation (LLS 23-0793)       | 0                           | 0   |
| General Fund Transfers for Capital Construction (LLS 23-0796) | 0                           | 11,000,825                                    |
| Total Program Mid-Year Adjustment (LLS 23-0808)               | 0                           | 0   |
| Denver Health Payment (LLS-0814)                              | 5,000,000                   |   |
| OEDIT CHIPS Act Support (LLS 23-XXXX)                         | 0                           | 5,000,000                                     |
| <b>TOTAL</b>  | <b>\$5,000,000</b>          | <b>\$16,000,825</b>                           |

## PROJECTED FY 2024-25 GENERAL FUND OBLIGATIONS

Staff has included some projections of General Fund Obligations for FY 2024-25 in both scenarios, but they are likely understated.

For *General Fund operating appropriations*, staff has included continuation of requested appropriations for FY 2024-25 plus a projected increase of \$919.1 million, comprised of the following three items:

- **Staff has included an increase of \$566.6 million based on the incremental out-year changes that are reflected in department budget requests**, as detailed in Table 4. As indicated by the dark blue shading in Table 4, the largest component of this 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 \$322.2 million). The other significant component is the proposed \$298.8 million increase in the General Fund share of funding for public schools for FY 2024-25. A few items have been updated based on January 17, 2023 budget submissions, and these items are bolded.
- **Staff has included an additional \$227.0 million for FY 2024-25 for state employee salary and benefits and the projected required PERA Direct Distribution payment.** This amount is estimated based on the data that was included in the JBC staff 1/27/23 figure setting document for statewide compensation policies.
  - This increase includes \$167.2 million for the estimated General Fund share of making the full \$225.0 million PERA Direct Distribution Payment in FY 2024-25, consistent with HB 22-1029 and PERA’s rate of return for 2021.
  - This increase includes \$48.5 million for a 3.0 percent across-the-board salary increase in FY 2024-25 (based on staff’s current understanding of the Administration’s agreement with COWINS). This estimate is based on continuation of the FY 2023-24 salary increases approved by the JBC on January 27, 2023. Please note that the estimated increase for FY 2024-25 is low because it does not include any costs associated with the Governor’s proposal to reinstate a “step” system for classified state employees. The Department of Personnel estimates that the reinstatement of a step system could cost up to \$109 million total funds in FY 2024-25.
  - This increase includes \$11.3 million based on an estimated 5.0 percent increase in employer premiums for health, life, and dental insurance benefits.
  - Staff’s FY 2024-25 estimates do not include any General Fund increases for the employer premium for family and medical leave benefits. Through HB 22-1133, the General Assembly transferred \$57.0 million to the FAMLI program to prepay the State’s employer premiums for several years. Please note, however, that the Executive Branch recently announced that the State would cover the employee portion of the premium for the FAMLI program. Based on the Legislative Council Staff fiscal note for HB 22-1133, this will cost an additional \$9.8 million per year. The Executive Branch is proposing to use the \$57.0 million General Fund “prepay” authorized by HB 22-1133 to cover these costs, which means that this “prepay” amount will be spent down twice as fast as anticipated in the fiscal note.
- **Staff has included an additional \$84.9 million for increases in community provider rates.** This amount is based on preliminary information about the total General Fund cost of across-the-board and targeted community provider rate increases for FY 2023-24. Staff has included an

additional \$43.2 million for the estimated General Fund cost of providing an across-the-board increase of 3.0 percent for Medicaid providers in FY 2023-24, rather than the proposed 0.5 percent increase. For purposes of estimating General Fund obligations for FY 2024-25, staff applied a 3.0 percent increase to the estimated base General Fund appropriations subject to the JBC's community provider rate common policy. This base amount currently includes \$78.6 million for the estimated cost of the JBC's 3.0 percent across-the-board increase, plus \$131.3 million in requested annualizations of prior year rate increases and targeted rate adjustments for FY 2023-24. Given the increases in base funding for the Medicaid program and other services provided through community-based providers, the projected cost for FY 2024-25 is likely understated.

- **Finally, staff has included an additional \$40.6 million for FY 2024-25 for higher education institutions, along with the associated increases required for student financial aid.** This amount assumes approval of the Governor's FY 2023-24 request for an \$86.0 million (6.8 percent) increase for higher education institutions and student financial aid, and provides another 3.0 percent increase for FY 2024-25. This percentage increase is selected to mirror the assumed increase for classified state employees and for most community providers.

**TABLE 4**  
**INCREMENTAL GENERAL FUND CHANGE FOR DECISION ITEMS AND BUDGET AMENDMENTS**  
**SUBMITTED FOR FY 2023-24, AS OF JANUARY 17, 2023**

| DEPARTMENT/ DECISION ITEM TITLE                        | FY 2023-24          | FY 2024-25          | FY 2024-25<br>CHANGE |
|--|---------------------|---------------------|----------------------|
| <b>Agriculture</b>                                     |                     |                     |                      |
| NP5 Legal Allocations                                  | \$145,776           | \$0                 | (\$145,776)          |
| NPBA1 OIT-IT Accessibility                             | 1,061,400           | 0                   | (1,061,400)          |
| <b>Corrections</b>                                     |                     |                     |                      |
| R8 Sober Recovery Homes for Reentry                    | 5,000,000           | 377,000             | (4,623,000)          |
| R9 Fugitive Apprehension Unit                          | 395,600             | 227,550             | (168,050)            |
| R11 Virtual Reality Career Training Program            | 845,814             | 576,711             | (269,103)            |
| <b>BA1 Prison Caseload Jan. 17</b>                     | <b>\$26,996,196</b> | <b>\$23,682,830</b> | <b>(\$3,313,366)</b> |
| <b>BA2 Medical Caseload Jan. 17</b>                    | <b>\$11,410,973</b> | <b>\$11,410,973</b> | <b>\$0</b>           |
| NPBA1 OIT_IT Accessibility                             | 886,357             | 0                   | (886,357)            |
| <b>Early Childhood</b>                                 |                     |                     |                      |
| R2 Increasing UPK Participation                        | 3,480,000           | 0                   | (3,480,000)          |
| R3 UPK Provider Bonuses                                | 5,000,000           | 0                   | (5,000,000)          |
| R4 Early Intervention Caseload Adjustment              | 395,949             | 6,148,658           | 5,752,709            |
| R5 Equity in the DEC                                   | 384,519             | 94,617              | (289,902)            |
| BA2 Early Childhood Intervention and Workforce Support | (672,034)           | (4,186,199)         | (3,514,165)          |
| BA5 Employer Based Child Care                          | 10,500,000          | 0                   | (10,500,000)         |
| NPBA1 OIT_IT Accessibility                             | 551,480             | 0                   | (551,480)            |
| <b>Education</b>                                       |                     |                     |                      |
| <b>R1/BA1 State Share of Total Program Increase</b>    | <b>0</b>            | <b>298,759,819</b>  | <b>298,759,819</b>   |
| R9 Leased Space Consolidation                          | 507,665             | (90,758)            | (598,423)            |
| R12 Developing a Vision for Strategic Alignment        | 175,000             | 0                   | (175,000)            |
| NPBA1 OIT_IT Accessibility                             | 1,655,845           | 0                   | (1,655,845)          |
| <b>Governor</b>  |                     |                     |                      |
| R1 (CEO) EPC Feasibility Study                         | 750,000             | 0                   | (750,000)            |
| NPBA2 (GOV) It Accessibility                           | 1,132,649           | 0                   | (1,132,649)          |
| <b>HCPF</b>  |                     |                     |                      |
| R1 Medical services premiums                           | 155,659,118         | 419,663,559         | 264,004,441          |
| R2 Behavioral health programs                          | (3,443,854)         | 10,174,781          | 13,618,635           |
| R3 Child health plan plus                              | 8,051,152           | 11,154,614          | 3,103,462            |
| R4 Medicare Modernization Act state contribution       | 3,285,804           | 14,483,870          | 11,198,066           |
| R5 Office of Community Living                          | 14,353,416          | 44,617,252          | 30,263,836           |
| R6 Supporting PCMP Transition Value based payments     | 2,853,173           | 3,048,437           | 195,264              |
| R7 Provider Rate Adjustments                           | 69,830,979          | 89,271,077          | 19,440,098           |

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**SUBMITTED FOR FY 2023-24, AS OF JANUARY 17, 2023**

| DEPARTMENT/ DECISION ITEM TITLE                               | FY 2023-24         | FY 2024-25         | FY 2024-25<br>CHANGE |
|---|--------------------|--------------------|----------------------|
| R9 Advancing Birthing Equity                                  | (357,242)          | (49,744)           | 307,498              |
| R10 Children and Youth with Complex and Co-Occurring Needs    | 200,043            | 1,085,358          | 885,315              |
| R11 Compliance  | (3,417,450)        | (4,055,829)        | (638,379)            |
| R12 Behavioral Health Eligibility and Claims Processing       | 2,889,302          | 3,040,781          | 151,479              |
| R13 Case Management Redesign                                  | 168,000            | 2,102,786          | 1,934,786            |
| NP1 DOLA Housing Vouchers                                     | (2,107,944)        | (6,031,062)        | (3,923,118)          |
| BA6 Public Health Emergency Funding                           | 2,620,180          | 0                  | (2,620,180)          |
| BA7 Community-based Access to Services                        | 175,000            | 8,125,994          | 7,950,994            |
| BA11 Behavioral Health Crisis Response Funding                | 135,360            | 0                  | (135,360)            |
| NPBA1 OIT_IT Accessibility                                    | 1,257,706          | 0                  | (1,257,706)          |
| <b>Higher Education</b>                                       |                    |                    |                      |
| BA1 Fitzsimmons Lease Purchase Agreement                      | (6,951,508)        | 0                  | 6,951,508            |
| BA2 Strategic Staffing Support for DHE                        | 534,270            | 12,940             | (521,330)            |
| NPBA1 OIT_IT Accessibility                                    | 911,188            | 0                  | (911,188)            |
| NPBA2 Pay Plan Adjustment                                     | 434,927            | 0                  | (434,927)            |
| <b>Human Services</b>   |                    |                    |                      |
| DHSR4 Improving Medicaid Access for Child Welfare Youth       | 162,500            | 325,000            | 162,500              |
| DHSR6 DYS Security Equipment Upgrades                         | 540,600            | 137,000            | (403,600)            |
| DHSR17 Realign Child Welfare Hotline Budget                   | (535,787)          | 0                  | 535,787              |
| BA4 Promoting Equity Through Technology and Automation        | 1,076,832          | 3,398,091          | 2,321,259            |
| <b>BA10 (Jan. 17) DYS Detention Bed Capacity</b>              | <b>\$3,340,119</b> | <b>\$3,340,119</b> | <b>\$0</b>           |
| NPBA02 OIT_IT Accessibility                                   | 416,770            | 0                  | (416,770)            |
| NPBA03 HLD True-up  | 1,686,485          | 0                  | (1,686,485)          |
| <b>Judicial</b>   |                    |                    |                      |
| OSPD R1 Salary survey   | 10,958,435         | 11,954,656         | 996,221              |
| JUDR11 County initiated courthouse furnishings                | 1,302,525          | 0                  | (1,302,525)          |
| BA5 Courthouse Furnishings and Infrastructure                 | 967,499            | 0                  | (967,499)            |
| <b>Labor and Employment</b>                                   |                    |                    |                      |
| NPBA OIT IT Accessibility                                     | 850,617            | 0                  | (850,617)            |
| NPBA1 OIT Real-time Billing                                   | (455,024)          | 0                  | 455,024              |
| NPBA3 HLD True-up   | 105,257            | 0                  | (105,257)            |
| <b>Law</b>  |                    |                    |                      |
| R9 Safe2Tell  | 202,218            | 16,194             | (186,024)            |
| BA1 Total Compensation BA                                     | 747,769            | 0                  | (747,769)            |
| <b>Local Affairs</b>  |                    |                    |                      |
| R1 Additional Resources for DOLA/HCPF Housing Voucher Program | 1,659,303          | 3,417,069          | 1,757,766            |
| <b>Military and Veterans Affairs</b>                          |                    |                    |                      |
| <b>Natural Resources</b>                                      |                    |                    |                      |
| BA2 Increase Water Plan Grants Leg. Placeholder               | 7,600,000          | 0                  | (7,600,000)          |
| NPBA1 OIT_IT Accessibility                                    | 149,337            | 0                  | (149,337)            |
| NPBA3 HLD True UP   | 178,414            | 0                  | (178,414)            |
| <b>Personnel</b>  |                    |                    |                      |
| NP5 Capitol complex staffing                                  | 114,384            | 0                  | (114,384)            |
| R2 Labor union support team                                   | 1,833,908          | 2,268,009          | 434,101              |
| R3 Statewide COWINS wage reopener impacts                     | 30,004,602         | 27,572,696         | (2,431,906)          |
| R11 Employee engagement survey vendor                         | 285,000            | 0                  | (285,000)            |
| NPBA2 Cap Complex Inflation and Fire Code                     | 344,301            | 0                  | (344,301)            |
| NPBA5 OIT_IT Accessibility                                    | 2,113,485          | 0                  | (2,113,485)          |
| <b>Public Health and Environment</b>                          |                    |                    |                      |
| R1 Protective water quality control                           | 4,125,165          | 5,961,596          | 1,836,431            |
| R3 Health Facilities Cash Fund fee relief                     | 2,100,000          | 0                  | (2,100,000)          |
| R4 Dairy protection fee relief                                | 412,000            | 0                  | (412,000)            |
| R5 Sustaining environmental justice act services              | 4,487,382          | 0                  | (4,487,382)          |
| R6 Vital Statistics Records Cash Fund fee relief              | 1,383,409          | 0                  | (1,383,409)          |
| BA3 Prevent Outbreaks through Outreach and Equity             | 3,632,053          | 3,791,704          | 159,651              |
| NPBA1 OIT_IT Accessibility                                    | 3,510,984          | 0                  | (3,510,984)          |
| NPBA5 HLD True up   | 369,388            | 0                  | (369,388)            |

TABLE 4  
 INCREMENTAL GENERAL FUND CHANGE FOR DECISION ITEMS AND BUDGET AMENDMENTS  
 SUBMITTED FOR FY 2023-24, AS OF JANUARY 17, 2023

| DEPARTMENT/ DECISION ITEM TITLE                | FY 2023-24           | FY 2024-25             | FY 2024-25<br>CHANGE |
|--|----------------------|------------------------|----------------------|
| NPBA7 PEAK                                     | 78,637               | 0                      | (78,637)             |
| <b>Public Safety</b>                           |                      |                        |                      |
| R1 CO Auto theft prevention initiative         | 7,915,323            | 4,719,274              | (3,196,049)          |
| R2 Create Office of School Safety              | 2,093,313            | 1,857,472              | (235,841)            |
| R3 Fire aviation resources                     | 11,830,823           | 11,657,990             | (172,833)            |
| R4 Grants for physical security in schools     | 6,000,000            | 0                      | (6,000,000)          |
| R5 Invest in local crime prevention            | 9,000,000            | 0                      | (9,000,000)          |
| R10 Resources for fire investigations and data | 3,243,155            | 2,317,095              | (926,060)            |
| R12 Expand training for local fire districts   | 4,651,780            | 2,748,851              | (1,902,929)          |
| R14 Statewide fire risk reduction initiative   | 1,556,309            | 890,242                | (666,067)            |
| R19 VINE program update                        | 283,709              | 58,080                 | (225,629)            |
| NPBA7 OIT_IT Accessibility                     | 853,610              | 0                      | (853,610)            |
| NPBA8 HLD True Up                              | 418,851              | 0                      | (418,851)            |
| NPBA12 Risk Legal Appropriation                | 254,809              | 0                      | (254,809)            |
| <b>Regulatory Agencies</b>                     |                      |                        |                      |
| <b>Revenue</b>                                 |                      |                        |                      |
| NPBA1 OIT_IT Accessibility                     | 1,596,040            | 0                      | (1,596,040)          |
| NPBA2 OIT FY24 Real Time Billing               | (218,403)            | 0                      | 218,403              |
| <b>Transportation</b>                          |                      |                        |                      |
| <b>Treasury</b>                                |                      |                        |                      |
| R4 Deferred property tax program               | 441,550              | 546,186                | 104,636              |
| R5 IT accessibility                            | 183,815              | 16,711                 | (167,104)            |
| <b>All other decision items</b>                | 342,278,333          | 335,764,667            | (6,513,666)          |
| <b>TOTAL STATEWIDE FOR ALL DECISION ITEMS</b>  | <b>\$789,213,617</b> | <b>\$1,355,800,167</b> | <b>\$566,586,550</b> |

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

- **Staff’s figure for budget amendments is consistent with the Governor’s proposal to utilize \$305.0 million from the Revenue Loss Restoration Fund to temporarily reduce existing General Fund appropriations over the next two fiscal years** (\$155.0 million in FY 2023-24 and \$150.0 million in FY 2024-25). Of the proposed refinance for FY 2023-24, \$75.0 million was included in budget amendments submitted on January 17 for the Departments of Human Services, Local Affairs, and Public Health and Environment. The remaining \$80.0 million refinance for FY 2023-24 is proposed to be implemented by appropriating ARPA funds for certain higher education controlled maintenance projects. [Please note that this proposal would require a \$150.0 million General Fund increase in FY 2025-26.]

Staff also reflects a \$100.0 million General Fund decrease (for FY 2023-24 only) that is included in the Governor’s budget proposal to reflect the estimated appropriation changes due to the extension of the enhanced federal match rate for the Medicaid program through the third quarter of state FY 2022-23.

- **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 2024-25.**

For FY 2024-25 *transfers out of the General Fund*, staff has assumed the following:

- For the **out-year costs associated with state infrastructure, staff has reflected a total of \$251.5 million for FY 2024-25.** This includes \$95.0 million for the FY 2024-25 costs of the capital construction and information technology projects included in the Governor’s budget request. Staff



has also included \$156.5 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 FY 2023-24 budget request includes \$130.9 million for controlled maintenance projects.

- **While the Governor is proposing \$634.8 million in transfers out of the General Fund for various purposes in FY 2023-24, all but one of these transfers are described as one-time state investments or “prepays”.** The one exception is the proposed transfer of \$100.0 million General Fund to essentially set a side funding for FY 2024-25 to continue certain early childhood policies that have been implemented on a temporary basis using “stimulus” funds. The Governor’s January 3, 2023 submission indicates that \$19.6 million of this amount will need to continue in FY 2025-26 to continue to comply with state rules and federal law.

## JBC ACTIONS FOR FY 2022-23 AND BUDGET REQUESTS FOR FY 2023-24 IN THE CONTEXT OF THE DECEMBER 2022 REVENUE FORECASTS

**Tables 5 and 6 are intended to provide a framework for the JBC as it begins crafting its budget proposal for FY 2023-24.** These tables are based on the most recent economic and revenue forecasts that were presented to the JBC on December 20, 2022. Table 5 is based on the Legislative Council Staff (LCS) forecast, and Table 6 is based on the Office of State Planning and Budgeting (OSPB) forecast. In both tables:

- green shading identifies assumptions used in the context of both forecasts that have not changed since the JBC Staff January 17, 2022 General Fund Overview; and
- **blue shading identifies assumptions used in the context of both forecasts that have changed since January 17, 2022.**

Assumptions that have changed include the following:

- **Staff has replaced all requested modifications to appropriation or transfers for FY 2022-23 with JBC actions,** including the anticipated out year impacts of those actions [rows 6, 7, 18, and 22].
- **Staff has updated the requested appropriations for FY 2024-25 to include budget amendments that were submitted on January 17** [rows 6 and 9].
- Staff has updated the projected appropriations for FY 2024-24 [row 5] based on:
  - budget amendments that were submitted January 17;
  - JBC actions concerning state employee compensation and benefits common policies; and
  - JBC action concerning community provider rates for FY 2023-24.

Staff continues to seek feedback and guidance from the JBC about these projections to ensure that it serves as a useful tool for planning and decision making.

Table 5  
General Fund Overview as of February 1, 2023  
Based on the LCS DECEMBER 2022 Forecast

(\$ millions)

|   | FY 2021-22  | FY 2022-23        | FY 2023-24         | FY 2024-25        |                   |
|---|---|-------------------|--------------------|-------------------|-------------------|
| <b>General Fund Available</b>             |   |                   |                    |                   |                   |
| 1   | Beginning Reserve   | \$3,181.5         | \$3,201.9          | \$2,183.3         | \$2,025.3         |
| 2   | Gross General Fund Revenue  | 17,697.9          | 16,869.8           | 17,350.0          | 18,195.3          |
| 3   | Transfers In (existing law reflected in forecast)   | 59.5              | 42.2               | 27.8              | 26.6              |
| 4   | <b>Total General Fund Available</b>   | <b>\$20,938.9</b> | <b>\$20,113.9</b>  | <b>\$19,561.2</b> | <b>\$20,247.2</b> |
| <b>LESS: General Fund Obligations</b>     |   |                   |                    |                   |                   |
| 5   | <i>Appropriations</i> (actual, requested, and projected)  | \$12,247.1        | \$13,903.4         | \$14,755.2        | \$15,674.2        |
| 6   | <b>JBC Supplemental bills for FY 2022-23; Budget amendments</b><br>submitted to date for FY 2023-24   | n/a               | (208.8)            | 7.8               | 82.8              |
| 7   | <b>JBC Supplemental package bills</b>   | n/a               | 5.0                | 0.0               | 0.0               |
| 8   | Estimated cost of 3.0 percent, rather than 0.5 percent, increase for all<br>Medicaid providers (in addition to requested targeted rate increases) | n/a               | n/a                | 43.2              | 43.2              |
| 9   | Placeholder for future proposed JBC actions (\$80.0 million of proposed<br>ARPA refinance; HCPF Feb 15 updated forecast)                          | n/a               | n/a                | (180.0)           | (150.0)           |
| 10  | Governor's placeholder for 2023 legislation   | n/a               | n/a                | 15.0              | 15.0              |
| 11  | Governor's placeholder for specific 2023 legislation  | n/a               | n/a                | 0.6               | 0.6               |
| 12  | LESS: Appropriations for rebates and expenditures   | (215.9)           | (229.6)            | (345.4)           | (345.4)           |
| 13  | <b>Subtotal: Appropriations subject to statutory reserve requirement</b>  | <b>12,031.2</b>   | <b>13,470.0</b>    | <b>14,296.3</b>   | <b>15,320.4</b>   |
| 14  | <i>Rebates and Expenditures</i> (reflected in forecast)   | 149.6             | 193.9              | 245.8             | 253.3             |
| 15  | <i>TABOR Refund [Article X, Section 20 (7)(d)]</i><br>Current year revenue above Referendum C Cap (refunded in following<br>fiscal year)          | 3,850.0           | 2,619.0            | 1,533.6           | 1,374.5           |
| <i>Transfers Out and Other Diversions</i> |   |                   |                    |                   |                   |
| 16  | Transportation (existing law reflected in forecast)   | 484.9             | 88.0               | 0.0               | 117.5             |
| 17  | Capital/IT projects (existing law reflected in forecast, including HB 22-<br>1195)  | 357.0             | 482.2              | 20.0              | 20.0              |
| 18  | <b>JBC Supplemental package bills</b>   | n/a               | 11.0               | n/a               | n/a               |
| 19  | Other capital transfers reflected in the Governor's budget proposal as of<br>Nov. 1, 2022   | n/a               | 0.0                | 282.7             | 251.5             |
| 20  | Changes to capital transfers reflected in the Governor's Jan. 3, 2023<br>submittal  | n/a               | n/a                | (4.6)             | 3.0               |
| 21  | Other Transfers and Diversions (existing law reflected in forecast)   | 957.9             | 1,214.7            | 527.3             | 590.6             |
| 22  | <b>JBC Supplemental package bills</b>   | n/a               | 5.0                | n/a               | n/a               |
| 23  | Other transfers reflected in the Governor's budget proposal as of Jan. 3,<br>2023   | n/a               | 0.0                | 634.8             | 0.0               |
| 24  | <b>Subtotal: Other Obligations</b>  | <b>5,799.3</b>    | <b>4,613.9</b>     | <b>3,239.5</b>    | <b>2,610.4</b>    |
| 25  | <b>Total General Fund Obligations</b>   | <b>\$17,830.5</b> | <b>\$18,083.8</b>  | <b>\$17,535.8</b> | <b>\$17,930.8</b> |
| 26  | <b>PLUS: Reversions and Accounting Adjustments (including<br/>underrefunds of TABOR surpluses from prior years)</b>                               | <b>\$93.5</b>     | <b>\$153.2</b>     | <b>n/a</b>        | <b>n/a</b>        |
| <b>Reserve</b>                            |   |                   |                    |                   |                   |
| 27  | <b>Fiscal Year-end General Fund Reserve</b>   | <b>\$3,201.9</b>  | <b>\$2,183.3</b>   | <b>\$2,025.3</b>  | <b>\$2,316.4</b>  |
| <i>Statutory Reserve Requirement</i>      |   |                   |                    |                   |                   |
| 28  | Statutorily Required Reserve Percent  | 13.4%             | 15.0%              | 15.0%             | 15.0%             |
| 29  | Required Reserve Amount   | \$1,612.2         | \$2,020.5          | \$2,144.4         | \$2,298.1         |
| 30  | Year-end Reserve Above/(Below) Requirement  | \$1,589.7         | \$162.8            | (\$119.1)         | \$18.4            |
| 31  | <i>Annual revenues less annual obligations</i>  | <i>(\$132.6)</i>  | <i>(\$1,214.0)</i> | <i>(\$185.8)</i>  | <i>\$264.5</i>    |

Totals may not sum due to rounding.

Table 6  
General Fund Overview as of February 1, 2023  
Based on the OSPB DECEMBER 2022 Forecast  
(\$ millions)

|   | FY 2021-22   | FY 2022-23        | FY 2023-24        | FY 2024-25        |                   |
|---|--|-------------------|-------------------|-------------------|-------------------|
| <b>General Fund Available</b>   |  |                   |                   |                   |                   |
| 1   | Beginning Reserve  | \$3,181.5         | \$3,202.2         | \$2,310.3         | \$2,321.5         |
| 2   | Gross General Fund Revenue   | 17,697.9          | 16,844.5          | 16,494.0          | 17,612.6          |
| 3   | Transfers In (existing law reflected in forecast)  | 59.5              | 24.2              | 26.2              | 25.5              |
| 4   | <b>Total General Fund Available</b>  | <b>\$20,939.0</b> | <b>\$20,070.8</b> | <b>\$18,830.5</b> | <b>\$19,959.6</b> |
| <b>LESS: General Fund Obligations</b>   |  |                   |                   |                   |                   |
| 5   | <i>Appropriations (actual, requested, and projected)</i>   | 12,247.1          | 13,903.4          | 14,755.2          | 15,674.2          |
| 6   | JBC Supplemental bills for FY 2022-23; Budget amendments submitted to date for FY 2023-24  | n/a               | (208.8)           | 7.8               | 82.8              |
| 7   | JBC Supplemental package bills   | n/a               | 5.0               | 0.0               | 0.0               |
| 8   | Estimated cost of 3.0 percent, rather than 0.5 percent, increase for all Medicaid providers (in addition to requested targeted rate increases) | n/a               | n/a               | 43.2              | 43.2              |
| 9   | Placeholder for future proposed JBC actions (\$80.0 million of proposed ARPA refinance; HCPF Feb 15 updated forecast)                          | n/a               | n/a               | (180.0)           | (150.0)           |
| 10  | Governor's placeholder for 2023 legislation  | n/a               | n/a               | 15.0              | 15.0              |
| 11  | Governor's placeholder for specific 2023 legislation   | n/a               | n/a               | 0.6               | 0.6               |
| 12  | LESS: Appropriations for rebates and expenditures  | (215.9)           | (229.6)           | (345.4)           | (345.4)           |
| 13  | <b>Subtotal: Appropriations subject to statutory reserve requirement</b>   | <b>12,031.2</b>   | <b>13,470.0</b>   | <b>14,296.3</b>   | <b>15,320.4</b>   |
| 14  | Rebates and Expenditures (reflected in forecast)   | 149.6             | 140.0             | 248.5             | 253.4             |
| 15  | <i>TABOR Refund [Article X, Section 20 (7)(d)]</i><br>Current year revenue above Referendum C Cap (refunded in following fiscal year)          | 3,850.0           | 2,337.7           | 469.4             | 736.5             |
| <i>Transfers Out and Other Diversions</i>   |  |                   |                   |                   |                   |
| 16  | Transportation (existing law reflected in forecast)  | 512.9             | 88.0              | 0.0               | 0.0               |
| 17  | Capital/IT projects (existing law reflected in forecast, including HB 22-1195)   | 357.0             | 482.2             | 20.0              | 20.0              |
| 18  | <b>JBC Supplemental package bills</b>  | n/a               | <b>11.0</b>       | n/a               | n/a               |
| 19  | Other capital transfers reflected in the Governor's budget proposal as of Nov. 1, 2022   | n/a               | 0.0               | 282.7             | 251.5             |
| 20  | Changes to capital transfers reflected in the Governor's Jan. 3, 2023 submittal  | n/a               | n/a               | (4.6)             | 3.0               |
| 21  | Other Transfers and Diversions (existing law reflected in forecast)  | 929.6             | 1,226.7           | 561.9             | 617.6             |
| 22  | <b>JBC Supplemental package bills</b>  | n/a               | <b>5.0</b>        | n/a               | n/a               |
| 23  | Other transfers reflected in the Governor's budget proposal as of Jan. 3, 2023   | n/a               | 0.0               | 634.8             | 0.0               |
| 24  | <b>Subtotal: Other Obligations</b>   | <b>5,799.1</b>    | <b>4,290.6</b>    | <b>2,212.7</b>    | <b>1,882.0</b>    |
| 25  | <b>Total General Fund Obligations</b>  | <b>\$17,830.3</b> | <b>\$17,760.6</b> | <b>\$16,509.0</b> | <b>\$17,202.3</b> |
| <b>PLUS: Reversions and Accounting Adjustments (including underrefunds of TABOR surpluses from prior years)</b> |  |                   |                   |                   |                   |
|   |  | \$93.4            | \$0.0             | n/a               | n/a               |
| <b>Reserve</b>  |  |                   |                   |                   |                   |
| 27  | <b>Fiscal Year-end General Fund Reserve</b>  | <b>\$3,202.2</b>  | <b>\$2,310.3</b>  | <b>\$2,321.5</b>  | <b>\$2,757.3</b>  |
| <i>Statutory Reserve Requirement</i>  |  |                   |                   |                   |                   |
| 28  | Statutorily Required Reserve Percent   | 13.4%             | 15.0%             | 15.0%             | 15.0%             |
| 29  | Required Reserve Amount  | \$1,612.2         | \$2,020.5         | \$2,144.4         | \$2,298.1         |
| 30  | Year-end Reserve Above/(Below) Requirement   | \$1,590.0         | \$289.8           | \$177.1           | \$459.2           |
| 31  | <i>Annual revenues less annual obligations</i>   | <i>(\$132.3)</i>  | <i>(\$916.1)</i>  | <i>(\$15.0)</i>   | <i>\$410.2</i>    |

Totals may not sum due to rounding.