

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 2023-24 SUPPLEMENTAL REQUESTS

APPROVED MID-YEAR CHANGES AND AMENDED REQUEST

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 approved to date by the Joint Budget Committee (JBC). **The JBC-approved appropriation adjustments included in the “supplemental package” (including supplemental and “orbital” bills) increase General Fund appropriations for FY 2023-24 by \$84.1 million (0.6 percent). In addition, the Committee has approved transfers from the General Fund totaling an additional \$27.5 million for the current year.**

SUPPLEMENTAL APPROPRIATION BILLS

Supplemental appropriation bills carry appropriation changes that do not require statutory change. For FY 2023-24, the JBC-approved supplemental bills provide a net increase of \$86.3 million General Fund across all agencies (see Table 1 below). The largest change by far is in the Department of Human Services with an increase of \$60.9 million General Fund.

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

| DEPARTMENT | CURRENT APPROPRIATION | CHANGES IN SUPPLEMENTAL APPROPRIATION BILLS | ADJUSTED APPROPRIATION | PERCENTAGE CHANGE |
|----------------------------------|-------------------------|---|-------------------------|-------------------|
| Agriculture | \$18,030,328 | \$73,425 | \$18,103,753 | 0.4% |
| Corrections | 989,200,125 | 15,862,789 | 1,005,062,914 | 1.7% |
| Early Childhood | 306,119,129 | (116,871) | 306,002,258 | (0.0%) |
| Education | 4,670,389,088 | 1,037,013 | 4,671,426,101 | 0.0% |
| Governor | 49,780,173 | 326,742 | 50,106,915 | 0.7% |
| Health Care Policy and Financing | 4,525,518,658 | (12,898,284) | 4,512,620,374 | (0.3%) |
| Higher Education | 1,555,800,543 | 1,846,427 | 1,557,646,970 | 0.1% |
| Human Services | 1,014,436,841 | 60,880,388 | 1,075,317,229 | 6.0% |
| Judicial | 757,088,755 | 3,400,772 | 760,489,527 | 0.4% |
| Labor and Employment | 35,089,687 | (96,908) | 34,992,779 | (0.3%) |
| Law | 24,270,302 | 191,544 | 24,461,846 | 0.8% |
| Legislature | 73,508,585 | 197,201 | 73,705,786 | 0.3% |
| Local Affairs | 54,875,577 | 32,948 | 54,908,525 | 0.1% |
| Military and Veterans Affairs | 15,196,589 | 90,096 | 15,286,685 | 0.6% |
| Natural Resources | 42,367,799 | 225,431 | 42,593,230 | 0.5% |
| Personnel | 43,874,455 | 474,250 | 44,348,705 | 1.1% |
| Public Health and Environment | 138,311,581 | 1,773,331 | 140,084,912 | 1.3% |
| Public Safety | 286,830,694 | 15,398,676 | 302,229,370 | 5.4% |
| Regulatory Agencies | 13,551,646 | 27,571 | 13,579,217 | 0.2% |
| Revenue | 155,838,838 | (2,403,569) | 153,435,269 | (1.5%) |
| State | 12,835,578 | 0 | 12,835,578 | 0.0% |
| Transportation | 500,000 | 0 | 500,000 | n/a |
| Treasury | 313,780,829 | 18,630 | 313,799,459 | 0.0% |
| TOTAL | \$15,097,195,800 | \$86,341,602 | \$15,183,537,402 | 0.6% |

OTHER SUPPLEMENTAL PACKAGE LEGISLATION

The JBC-approved supplemental package includes ten additional “orbital” bills (that include statutory change), six of which have General Fund impacts for FY 2023-24 (see Table 2). In total, those bills

decrease General Fund *appropriations* by \$2.2 million but increase *transfers* from the General Fund by \$27.5 million. As the Committee is aware, the distinction between appropriations and transfers is important because the 15.0 percent statutory reserve requirement applies to General Fund appropriations but not transfers.

| DEPARTMENT | BILL TOPIC | FY 2023-24 GENERAL FUND APPROPRIATION CHANGES | FY 2023-24 TRANSFERS FROM GENERAL FUND |
|---------------------------------------|--------------------------------------|--|---|
| Education | Health School Meals | 17,052 | 0 |
| Health Care Policy and Financing | Autism Treatment Fund | \$1,799,760 | \$0 |
| Human Services | Senior Services | 0 | 2,000,000 |
| Judicial | Judicial Collection Enhancement Fund | 0 | 2,500,000 |
| Public Health and Environment | Community Crime Victim Services | (4,000,000) | 4,000,000 |
| Capital Construction (and IT Capital) | Transfers for Capital | 0 | 18,971,100 |
| TOTAL | | \$0 | (\$2,182,488) |

FY 2024-25 AMENDED REQUEST

For FY 2024-25, departments have submitted budget amendments that *decrease* the total requested General Fund appropriations by \$14.0 million (0.1 percent) compared to the November 1, 2023 budget submission. As shown in Table 3, significant increases in several Departments (particularly Corrections, Judicial, and Higher Education) are more than offset by a \$51.1 million decrease to the November 1, 2023, General Fund request for the Department of Education.

| DEPARTMENT | NOVEMBER 1, 2023 REQUEST | JANUARY 2 AND 16 BUDGET AMENDMENTS | REVISED REQUEST | PERCENTAGE CHANGE |
|----------------------------------|-----------------------------|---------------------------------------|-------------------------|----------------------|
| Agriculture | \$22,778,034 | \$715,614 | \$23,493,648 | 3.1% |
| Corrections | 1,084,158,869 | 10,195,614 | 1,094,354,483 | 0.9% |
| Early Childhood | 295,264,502 | (344,720) | 294,919,782 | (0.1%) |
| Education | 4,679,444,166 | (51,137,240) | 4,628,306,926 | (1.1%) |
| 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% |
| TOTAL | \$16,174,243,166 | (\$13,977,907) | \$16,160,265,259 | (0.1%) |

JBC ACTIONS FOR FY 2023-24 AND BUDGET REQUESTS FOR FY 2024-25 IN THE CONTEXT OF THE DECEMBER 2023 REVENUE FORECASTS

Tables 4 and 5 are intended to provide a framework for the JBC as it begins crafting its budget proposal 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 4 is based on the Legislative Council Staff (LCS) forecast, and Table 5 is based on the Office of State Planning and Budgeting (OSPB) forecast. In both tables:

- Bright green shading identifies decisions that the Committee has already made for FY 2023-24 (through the supplemental package) and FY 2024-25 (common policy provider rate); and
- Yellow shading identifies specific request items/balancing proposals that the Committee has not yet acted on. For FY 2023-24, this includes the proposed transfer of \$31.5 million from the State Employee Reserve Fund to the General Fund. For FY 2024-25, these amounts include the balancing proposals that have been reflected in each of the General Fund Overviews provided since November 1, 2023.

Assumptions that have changed since the January 11 Overview document include the following:

- **Staff has replaced all requested modifications to appropriation or transfers for FY 2023-24 with JBC actions as reflected in the supplemental package.**
- **Staff has updated the requested appropriations for FY 2024-25 to include budget amendments that were submitted on January 16, 2024.**
- Staff has updated the projected appropriations for FY 2025-26 based on estimated outyear impacts of:
 - budget amendments that were submitted January 16; and
 - JBC action concerning community provider rates for FY 2024-25.

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 4: General Fund Overview as of February 1, 2024
Based on the LCS DECEMBER 2023 Forecast, Including Special Session
(\$ millions)

| | FY 2022-23 | FY 2023-24 | FY 2024-25 | FY 2025-26 | |
|---------------------------------------|--|-------------------|-------------------|-------------------|-------------------|
| General Fund Available | | | | | |
| 1 | Beginning Reserve | \$3,203.2 | \$2,427.6 | \$2,154.3 | \$2,080.8 |
| 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 | Total General Fund Available | \$21,258.9 | \$20,026.4 | \$20,814.4 | \$21,759.8 |
| LESS: General Fund Obligations | | | | | |
| 5 | Appropriations (Actual, requested November 1, and projected) | \$13,524.2 | \$15,097.2 | \$16,174.2 | \$16,976.7 |
| 6 | 2023B Special Session appropriations annualizations for outyears | 0.0 | 0.0 | 2.2 | 2.1 |
| 7 | JBC Supplemental bills for FY 2023-24; budget amendments submitted to date for FY 2024-25 | 13.3 | 86.3 | (14.0) | 0.0 |
| 8 | JBC Supplemental package bills (appropriations) | 0.0 | (2.2) | 0.0 | 0.0 |
| 9 | Common policy provider rate decision (increment above request) | 0.0 | 0.0 | 48.6 | 0.0 |
| 10 | Requested expenditure balancing proposals subject to reserve ^a | 0.0 | 0.0 | 95.6 | n/a |
| 11 | Requested revenue proposals subject to reserve ^a | 0.0 | 0.0 | (244.2) | n/a |
| 12 | LESS: Appropriations for rebates and expenditures | (229.4) | (226.1) | (243.1) | (250.6) |
| 13 | LESS: Appropriations from Healthy School Meals Account | n/a | (145.3) | (104.3) | (107.4) |
| 14 | Subtotal: Appropriations subject to statutory reserve requirement | 13,308.1 | 14,810.0 | 15,715.0 | 16,620.9 |
| 15 | <i>Annual Percent Change</i> | 10.5% | 11.3% | 6.1% | 5.8% |
| 16 | Rebates and Expenditures (reflected in forecast) | 168.7 | 245.3 | 186.9 | 184.6 |
| 17 | Appropriations from Healthy School Meals Account | n/a | 145.3 | 104.3 | 107.4 |
| 18 | TABOR Refund [Article X, Section 20 (7)(d)] | | | | |
| 19 | Current year revenue above referendum C cap (refunded in following fiscal year) | 3,683.1 | 1,777.0 | 1,792.6 | 2,013.2 |
| 20 | Requested Housing Development Grant Fund tax credit conversion | 0.0 | 0.0 | (35.0) | 0.0 |
| 21 | Requested Employment Support Fund Change | 0.0 | (53.5) | (23.5) | (23.5) |
| 22 | Requested gaming and cigarette revenue reclassifications | 0.0 | 0.0 | (31.5) | (32.1) |
| 23 | Requested Recycling Resources Program Fee change | 0.0 | 0.0 | (3.3) | (3.3) |
| 24 | <i>Transfers Out and Other Diversions</i> | | | | |
| 25 | 2023B Special Session Transfer to State Education Fund | n/a | 0.0 | 146.0 | n/a |
| 26 | SB23B-001 Warrant for Local Government Reimbursement | n/a | 50.7 | 0.0 | 0.0 |
| 27 | Transportation (existing law reflected in forecast) | 88.0 | 5.0 | 117.5 | 117.5 |
| 28 | Capital/IT projects (existing law/reflected in forecast) | 488.3 | 332.4 | 20.0 | 20.0 |
| 29 | JBC Supplemental package bills | 0.0 | 19.0 | n/a | n/a |
| 30 | Additional Capital transfers reflected in Governor's budget proposal as of Jan. 31, 2024 | 0.0 | 0.0 | 243.0 | 18.6 |
| 31 | JBC Supplemental package bills | 0.0 | 8.5 | 0.0 | 0.0 |
| 32 | Requested emergency reserve transfer | 0.0 | 0.0 | 32.0 | 0.0 |
| 33 | Requested General Fund transfer holds ^a | 0.0 | 0.0 | 138.1 | 42.1 |
| 34 | Requested revenue proposals not subject to reserve ^a | 0.0 | 0.0 | (98.3) | (23.5) |
| 35 | Other Transfers and Diversions (existing law reflected in forecast) | 1,295.7 | 532.6 | 429.7 | 439.7 |
| 36 | Subtotal: Other Obligations | 5,723.8 | 3,062.1 | 3,018.5 | 2,860.7 |
| 37 | Total General Fund Obligations | \$19,031.9 | \$17,872.1 | \$18,733.6 | \$19,481.6 |
| 38 | PLUS: Reversions and Accounting Adjustments (including under-refunds of TABOR surpluses from prior years) | \$200.7 | n/a | n/a | n/a |
| 39 | Reserve | | | | |
| 40 | Fiscal Year-end General Fund Reserve | \$2,427.6 | \$2,154.3 | \$2,080.8 | \$2,278.2 |
| 41 | Statutorily Required Reserve Percent | 15.0% | 15.0% | 15.0% | 15.0% |
| 42 | Required Reserve Amount | \$1,996.2 | \$2,221.5 | \$2,357.3 | \$2,493.1 |
| 43 | Year-end Reserve Above/(Below) Requirement | \$431.4 | (\$67.2) | (\$276.4) | (\$215.0) |

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

General Fund Overview as of January 31, 2024
Based on the OSPB DECEMBER 2023 Forecast, Including Special Session
(\$ millions)

| | FY 2022-23 | FY 2023-24 | FY 2024-25 | FY 2025-26 | |
|---------------------------------------|--|-------------------|-------------------|-------------------|---|
| General Fund Available | | | | | |
| 1 | Beginning Reserve | \$3,203.2 | \$2,427.7 | \$2,304.8 | \$2,430.7 |
| 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 | 59.0 | 61.3 | 61.2 |
| 4 | Total General Fund Available | \$21,258.9 | \$20,043.8 | \$20,597.1 | \$21,562.3 |
| LESS: General Fund Obligations | | | | | |
| 5 | Appropriations (Actual, requested November 1, and projected) | \$13,524.2 | \$15,097.2 | \$16,174.2 | \$16,976.7 |
| 6 | 2023B Special Session appropriations annualizations for outyears | \$0.0 | \$0.0 | \$2.2 | \$2.1 |
| 7 | JBC Supplemental bills for FY 2023-24; budget amendments submitted to date for FY 2024-25 | \$13.3 | \$86.3 | (\$14.0) | Included above |
| 8 | JBC Supplemental package bills (appropriations) | \$0.0 | (\$2.2) | \$0.0 | \$0.0 |
| 9 | Common policy provider rate decision (increment above request) | \$0.0 | \$0.0 | \$48.6 | |
| 10 | Requested expenditure balancing proposals subject to reserve ^a | n/a | n/a | \$95.6 | n/a |
| 11 | Requested revenue proposals subject to reserve ^a | n/a | n/a | (\$244.2) | n/a |
| 12 | LESS: Appropriations for rebates and expenditures | (229.4) | (226.1) | (237.3) | (243.8) |
| 13 | LESS: Appropriations from Healthy School Meals Account | n/a | (145.3) | (115.3) | (129.4) |
| 14 | Subtotal: Appropriations subject to statutory reserve requirement | 13,308.1 | 14,810.0 | 15,709.8 | 16,605.7 |
| 15 | <i>Annual Percent Change</i> | 10.5% | 11.3% | 6.1% | 5.7% |
| 16 | Rebates and Expenditures (reflected in forecast) | 168.6 | 175.2 | 164.4 | 160.7 |
| 17 | Appropriations from Healthy School Meals Account | n/a | 145.3 | 115.3 | 78.5 |
| 18 | TABOR Refund [Article X, Section 20 (7)(d)] | | | | |
| 19 | Current year revenue above Referendum C Cap (refunded in following fiscal year) | 3,683.1 | 1,651.3 | 1,280.4 | 1,413.0 |
| 20 | Requested Housing Development Grant Fund tax credit conversion | | | | |
| 21 | Requested Employment Support Fund Change | | | | |
| 22 | Requested gaming and cigarette revenue reclassifications | | | | (All of these items are assumed in the OSPB Forecast) |
| 23 | Requested Recycling Resources Program Fee change | | | | |
| 24 | <i>Transfers Out and Other Diversions</i> | | | | |
| 25 | 2023B Special Session Transfer to State Education Fund | 0.0 | 0.0 | Included above | 0.0 |
| 26 | SB23B-001 Warrant for Local Government Reimbursement | 0.0 | 50.7 | 0.0 | 0.0 |
| 27 | Transportation (existing law reflected in forecast) | 88.0 | 5.0 | 117.5 | 117.5 |
| 28 | Capital/IT projects | 488.3 | 332.4 | 20.0 | 38.6 |
| 29 | JBC Supplemental package bills | 0.0 | 19.0 | 0.0 | 0.0 |
| 30 | Additional Capital transfers reflected in Governor's budget proposal as of Jan. 31, 2024 | 0.0 | 0.0 | 243.0 | Included above |
| 31 | JBC Supplemental package bills | 0.0 | 8.5 | 0.0 | 0.0 |
| 32 | Requested emergency reserve transfer | 0.0 | 0.0 | 32.0 | 0.0 |
| 33 | Requested General Fund transfer holds ^a | 0.0 | 0.0 | 138.1 | 42.1 |
| 34 | Requested revenue proposals not subject to reserve ^a | 0.0 | 0.0 | (98.3) | (23.5) |
| 35 | Other Transfers and Diversions (existing law reflected in forecast) ^{b,c} | 1,295.7 | 541.7 | 444.1 | 452.1 |
| 36 | Subtotal: Other Obligations | 5,723.7 | 2,929.0 | 2,456.6 | 2,279.1 |
| 37 | Total General Fund Obligations | \$19,031.8 | \$17,739.0 | \$18,166.4 | \$18,884.8 |
| 38 | PLUS: Reversions and Accounting Adjustments (including under-refunds of TABOR surpluses from prior years) | \$200.7 | n/a | n/a | n/a |
| 39 | Reserve | | | | |
| 40 | Fiscal Year-end General Fund Reserve | \$2,427.7 | \$2,304.8 | \$2,430.7 | \$2,677.6 |
| 41 | Statutorily Required Reserve Percent | 15.0% | 15.0% | 15.0% | 15.0% |
| 42 | Required Reserve Amount | \$1,996.2 | \$2,221.5 | \$2,356.5 | \$2,490.8 |
| 43 | Year-end Reserve Above/(Below) Requirement | \$431.5 | \$83.3 | \$74.2 | \$186.7 |

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

| FY 2024-25 Governor Requested Budget Balancing Proposals for General Fund Overview - January 2, 2024 Request | |
|---|-------------------------|
| Category/Description | FY 2024-25 GF Impact |
| Governor Requested Expenditure Balancing Proposal Subject to Limit | |
| Legislative Placeholder (Executive Branch Priorities) | \$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 |
| Subtotal: Expenditure Proposals Subject to Limit | \$95,627,467 |
| Governor Requested Revenue Proposals Subject to Limit | |
| 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) |
| Subtotal: Requested Revenue Proposals Subject to Limit | (\$244,208,022) |
| Governor Requested General Fund Transfer Holds | |
| Transit Oriented Development | |
| 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 |
| Subtotal: Requested Transfer Holds | \$41,020,084 |
| Governor Requested Revenue Proposals Not Subject to Limit | |
| Severance Tax Cash Fund Transfer to Capital Construction Fund | (50,000,000) |
| Hard (non-cash) Assets in Emergency Reserve | (29,000,000) |
| Infrastructure Investment and Jobs Act (IIJA) Swap | (19,300,000) |
| Subtotal: Revenue Proposals Not Subject to the Limit | (\$98,300,000) |