

JOINT BUDGET COMMITTEE



OVERVIEW OF JOINT BUDGET COMMITTEE ACTIONS TO DATE AND PENDING ITEMS FOR FY 2023-24 AND FY 2024-25

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

PREPARED BY:
CRAIG HARPER, JBC STAFF DIRECTOR
MARCH 15, 2024

JOINT BUDGET COMMITTEE STAFF
200 E. 14TH AVENUE, 3RD FLOOR • DENVER • COLORADO • 80203
TELEPHONE: (303) 866-2061 • TDD: (303) 866-3472
<https://leg.colorado.gov/agencies/joint-budget-committee>

JBC ACTIONS TO DATE IN THE CONTEXT OF THE DECEMBER 2022 LCS REVENUE FORECAST

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 budget request for FY 2024-25 was based on the Office of State Planning and Budgeting (OSPB) September 2023 revenue forecast, and subsequent amendments to the request were based on the OSPB December 2023 forecast.

The Committee received the March 2024 revenue forecasts today and has not yet determined which forecast to use as the basis for finalizing FY 2023-24 appropriations and proposing the FY 2024-25 budget. This document is intended to: (1) provide information on the Committee’s actions to date; and (2) provide a framework for the forecast selection and for the finalization of decisions for the FY 2024-25 Long Bill package.

ADDITIONAL ADJUSTMENTS TO APPROPRIATIONS FOR FY 2023-24

Table 1 shows the current FY 2023-24 General Fund appropriation (as adjusted by the supplemental bill package) and the *additional* changes that the JBC has approved to date that would be attached to the FY 2024-25 Long Bill as “add-ons.” This table does not reflect changes that have been approved to take place through other legislation (discussed below). The two largest changes shown here are an increase related to Healthy School Meals for All in the Department of Education and a decrease tied to updated Medicaid forecast data in the Department of Health Care Policy and Financing.

DEPARTMENT	CURRENT APPROPRIATION (INCLUDING SUPPLEMENTAL PACKAGE)	ADDITIONAL APPROVED CHANGES	ADJUSTED APPROPRIATION	PERCENTAGE CHANGE
Agriculture	\$18,103,753	\$0	\$18,103,753	0.0%
Corrections	1,005,062,914	114,753	1,005,177,667	0.0%
Early Childhood	306,002,258	0	306,002,258	0.0%
Education	4,671,443,853	54,646,336	4,726,072,437	1.2%
Governor	50,106,915	0	50,106,915	0.0%
Health Care Policy and Financing	4,514,420,134	(49,972,264)	4,464,447,870	(1.1%)
Higher Education	1,557,646,970	0	1,557,646,970	0.0%
Human Services	1,077,317,229	(2,000,000)	1,075,317,229	(0.2%)
Judicial	760,489,527	0	760,489,527	0.0%
Labor and Employment	34,992,779	0	34,992,779	0.0%
Law	24,461,846	0	24,461,846	0.0%
Legislature	73,705,786	0	73,705,786	0.0%
Local Affairs	54,908,525	0	54,908,525	0.0%
Military and Veterans Affairs	15,286,685	0	15,286,685	0.0%
Natural Resources	42,593,230	0	42,593,230	0.0%
Personnel	44,348,705	0	44,348,705	0.0%
Public Health and Environment	136,084,912	0	136,084,912	0.0%
Public Safety	302,229,370	400,000	302,629,370	0.1%
Regulatory Agencies	13,579,217	0	13,579,217	0.0%
Revenue	153,435,269	0	153,435,269	0.0%
State	12,835,578	0	12,835,578	0.0%
Transportation	500,000	0	500,000	n/a
Treasury	313,799,459	0	313,799,459	0.0%
TOTAL	\$15,183,354,914	\$3,188,825	\$15,186,525,987	0.0%

In addition to the *appropriations* changes summarized in Table 1, the Committee has approved a *revenue* placeholder for the restructuring of the Employment Support Fund (ESF). The placeholder assumes that ESF bill will make an additional \$38.0 million General Fund available in FY 2023-24 and \$24.5 million per year in subsequent years (and is built into the General Fund Overviews later in this document).

COMPARISON OF APPROPRIATIONS FOR FY 2023-24 AND FY 2024-25

Table 2 compares the proposed FY 2023-24 appropriation (from Table 1) and the Committee's actions to date for FY 2024-25 *for inclusion in the Long Bill and the Legislative Appropriation Bill*. Like Table 1, this comparison does not include changes approved for other legislation. Please note that for all decision items that are pending JBC action the figures in Table 2 reflect the JBC staff recommendation which may differ from the request.

GENERAL FUND OPERATING APPROPRIATIONS FOR FY 2024-25				
DEPARTMENT	FY 2023-24 INCLUDING RECOMMENDED ADJUSTMENTS	DOLLAR CHANGE	FY 2024-25 LONG BILL RECOMMENDATIONS AND LEGISLATIVE APPROPRIATION BILL PLACEHOLDER ¹	PERCENTAGE CHANGE
Agriculture	\$18,103,753	\$2,461,437	\$20,565,190	13.6%
Corrections	1,005,177,667	72,956,103	1,078,133,770	7.3%
Early Childhood	306,002,258	(10,454,953)	295,547,305	(3.4%)
Education	4,726,072,437	(25,340,044)	4,700,732,393	(0.5%)
Governor	50,106,915	2,677,308	52,784,223	5.3%
Health Care Policy and Financing	4,464,447,870	525,062,584	4,989,510,454	11.8%
Higher Education	1,557,646,970	15,126,635	1,572,773,605	1.0%
Human Services	1,075,317,229	223,973,892	1,299,291,121	20.8%
Judicial	760,489,527	79,557,159	840,046,686	10.5%
Labor and Employment	34,992,779	(133,854)	34,858,925	(0.4%)
Law	24,461,846	2,889,778	27,351,624	11.8%
Legislature ¹	73,705,786	5,787,468	79,493,254	7.9%
Local Affairs	54,908,525	6,505,302	61,413,827	11.8%
Military and Veterans Affairs	15,286,685	2,666,199	17,952,884	17.4%
Natural Resources	42,593,230	2,571,724	45,164,954	6.0%
Personnel	44,348,705	(4,916,820)	39,431,885	(11.1%)
Public Health and Environment	136,084,912	1,110,325	137,195,237	0.8%
Public Safety	302,629,370	(16,328,231)	286,301,139	(5.4%)
Regulatory Agencies	13,579,217	(10,204,097)	3,375,120	(75.1%)
Revenue	153,435,269	(2,571,795)	150,863,474	(1.7%)
State	12,835,578	(10,405,977)	2,429,601	(81.1%)
Transportation	500,000	(500,000)	0	n/a
Treasury	313,799,459	142,020,081	455,819,540	45.3%
TOTAL	\$15,186,525,987	\$1,004,510,224	\$16,191,036,211	6.6%

¹ Figure for FY 2024-25 includes \$71,834,409 placeholder for the annual legislative appropriation bill.

CHANGES APPROVED FOR OTHER LEGISLATION

The Committee has also approved a variety of changes to General Fund appropriations and revenue impacts (mostly transfers) for both years that require separate legislation. Most of the changes to date are for **JBC bills** (Table 3), and most of those bills are approved as part of the Long Bill Package, although the largest change is in the ARPA “swap” bill which is not package bill. That said, the

Committee has also approved several placeholders for bills **that are not JBC bills** (as shown in Table 4).

TABLE 3: GENERAL FUND PLACEHOLDERS FOR JBC-SPONSORED BILLS

	FY 2024-25		FY 2025-26	
	GF APPROPRIATIONS	GF REVENUE OR TRANSFER/TABOR	GF APPROPRIATIONS	GF REVENUE OR TRANSFER/TABOR
Long Bill Package Bills				
Corrections: R5 Broadband	\$0	(\$5,602,704)	\$0	\$0
Education: CSI Mill Levy Equalization	0	735,000		735,000
Governor: OEDIT Creative Districts	0	500,000	0	0
HCPE: Children's Basic Health Plan Autism Coverage	3,925,923	0	3,925,923	0
HCPE: Payment to Denver Health	5,000,000	0	0	0
Higher Ed: Postsecondary Assistance for High School Students Who Experienced Homelessness	1,668,381	0	1,668,381	0
Higher Ed: Direct OIT to Evaluate CDHE Consolidation	280,000	0	0	0
Human Services: Adoption and Relative Guardianship Assistance	4,632,795	0	5,689,868	0
Human Services: Food Pantry/Bank Assistance Grants	3,000,000	0	3,000,000	0
Human Services BHA: School-based Behavioral Health Support	2,500,000	0	0	0
Labor: Employment Support Fund Restructure	0	24,462,740	0	24,462,740
Pub Health and Environment: Codify Health Eating Incentives	500,000	0	500,000	0
Subtotal: Long Bill Package Bills	\$21,507,099	\$20,095,036	\$14,784,172	\$25,197,740
JBC Bills Outside of the Long Bill Package				
Statewide: ARPA Placeholder*	\$0	\$197,840,484	\$0	\$0
Education: Delay Health School Meals for All Grants*	(18,495,508)	0	(18,495,508)	0
Subtotal: Bills outside of Long Bill Package	(\$18,495,508)	\$197,840,484	(\$18,495,508)	\$0
Total: JBC-sponsored Bills	\$3,011,591	\$217,935,520	(\$3,711,336)	\$25,197,740

* These bills have been approved to draft but as of this writing drafts have not been approved for introduction.

Table 4: General Fund Appropriation Placeholders for Non-JBC Bills

	FY 2024-25		FY 2025-26	
	GF Appropriations	GF Revenue or Transfer/TABOR	GF Appropriations	GF Revenue or Transfer/TABOR
Higher Ed: Native American Boarding School Research Program	\$333,333	\$0	\$333,333	\$0
SB24-170: Transfer to 250/150 Cash Fund	0	(250,000)	0	0
HB24-1038: Strengthen Treatment for High-acuity Youth	15,326,324	0	20,443,790	0
SB24-001: I Matter Continuation	6,000,000	0	6,000,000	0
SB24-059: Children's Behavioral Health Statewide System of Care*	2,093,250	0	13,276,895	0
Total: Placeholders for Non-JBC Bills	\$23,752,907	(\$250,000)	\$40,054,018	\$0

*Legislative Council Staff Fiscal Note for SB 24-059 anticipates a General Fund cost of \$230.6 million in FY 2026-27.

GENERAL FUND OVERVIEW – MARCH 2024 REVENUE FORECASTS

The next two tables summarize the General Fund Overviews under each forecast, **incorporating the Committee's actions to date**. Table 5 summarizes the overview under the Legislative Council Staff Forecast and Table 6 does so under the OSPB forecast. **As these tables reflect the Committee's actions to date under each forecast, they do not incorporate any placeholders or balancing proposals that were included in the request but not yet acted on by the Committee.**

Please note that in both tables highlighted cells indicate that the figure includes one or more amounts that have not yet been acted on by the JBC or are likely to change.

TABLE 4: GENERAL FUND OVERVIEW AS OF MARCH 15, 2024				
BASED ON THE LCS MARCH 2024 FORECAST				
(\$ millions)				
	FY 2023-24	FY 2024-25	FY 2025-26	
General Fund Available				
1	Beginning Reserve	\$2,427.4	\$2,225.8	\$2,127.7
2	Gross General Fund Revenue	17,615.6	18,653.1	19,656.8
3	Transfers In (existing law reflected in forecast)	70.8	81.8	77.4
4	Total General Fund Available	\$20,113.9	\$20,960.7	\$21,861.8
LESS: General Fund Obligations				
5	Appropriations (FY 2022-23 Actual, requested November 1, and projected)	\$15,186.5	\$16,191.0	\$16,839.3
6	2023B Special Session appropriations annualizations for outyears	0.0	0.0	2.1
7	JBC Long Bill Package bills (appropriations)	0.0	21.5	14.8
8	JBC placeholders for other JBC bills (appropriations)	0.0	(18.5)	(18.5)
9	JBC placeholders for non-JBC bills	0.0	23.8	40.1
10	JBC placeholders for revenue proposals subject to reserve	0.0	(193.5)	n/a
11	LESS: Appropriations for rebates and expenditures	(226.1)	(235.8)	(243.4)
12	LESS: Appropriations from Healthy School Meals Account	(146.9)	(110.5)	(107.4)
13	Subtotal: Appropriations subject to statutory reserve requirement	14,813.6	15,678.1	16,526.9
14	<i>Annual Percent Change</i>	<i>11.1%</i>	<i>5.8%</i>	<i>5.4%</i>
15	Rebates and Expenditures (reflected in forecast)	237.1	186.7	184.5
16	Appropriations from Healthy School Meals Account	146.9	110.5	107.4
17	TABOR Refund [Article X, Section 20 (7)(d)]			
18	Current year revenue above Referendum C Cap (refunded in following fiscal year)	1,824.5	1,909.8	2,291.2
19	JBC Placeholder Employment Support Fund Change	(38.0)	(24.5)	(24.5)
20	<i>Transfers Out and Other Diversions</i>			
21	Transportation (existing law reflected in forecast)	5.0	117.5	117.5
22	Capital/IT projects (existing law/CDC and JTC proposals)	351.4	252.7	272.3
23	Requested emergency reserve transfer	0.0	32.0	0.0
24	Other Transfers and Diversions (existing law reflected in forecast)	547.6	570.2	416.9
25	Subtotal: Other Obligations	3,074.5	3,154.9	3,365.3
26	Total General Fund Obligations	\$17,888.1	\$18,833.0	\$19,892.2
27	PLUS: Reversions and Accounting Adjustments (including under-refunds of TABOR surpluses from prior years)	n/a	n/a	n/a
28	Reserve			
29	Fiscal Year-end General Fund Reserve	\$2,225.8	\$2,127.7	\$1,969.6
30	Statutorily Required Reserve Percent	15.0%	15.0%	15.0%
31	Required Reserve Amount	\$2,222.0	\$2,351.7	\$2,479.0
32	Year-end Reserve Above/(Below) Requirement	\$3.7	(\$224.0)	(\$509.4)

GENERAL FUND OVERVIEW AS OF MARCH 15, 2024

BASED ON THE OSPB MARCH 2024 FORECAST

(\$ millions)

	FY 2023-24	FY 2024-25	FY 2025-26
General Fund Available			
1 Beginning Reserve	\$2,427.4	\$2,256.5	\$2,250.5
2 Gross General Fund Revenue	17,866.0	18,090.3	19,139.2
3 Transfers In (existing law reflected in forecast)	61.6	66.7	62.6
4 Total General Fund Available	\$20,355.0	\$20,413.6	\$21,452.3
LESS: General Fund Obligations			
5 Appropriations (Actual, requested November 1, and projected)	\$15,183.4	\$16,191.0	\$16,839.3
6 2023B Special Session appropriations annualizations for outyears	\$0.0	\$0.0	\$2.1
7 JBC Long Bill Package bills (appropriations)	\$0.0	\$21.5	\$14.8
8 JBC placeholders for other JBC bills (appropriations)	\$0.0	(\$18.5)	(\$18.5)
9 JBC placeholders for non-JBC bills	\$0.0	\$23.8	\$40.1
10 JBC placeholders for revenue proposals subject to reserve	n/a	(\$193.5)	n/a
11 LESS: Appropriations for rebates and expenditures	(226.1)	(237.3)	(248.1)
12 LESS: Appropriations from Healthy School Meals Account	(146.9)	(110.5)	(107.4)
13 Subtotal: Appropriations subject to statutory reserve requirement	14,810.4	15,676.5	16,522.2
14 <i>Annual Percent Change</i>	<i>11.1%</i>	<i>5.8%</i>	<i>5.4%</i>
15 Rebates and Expenditures (reflected in forecast)	231.8	175.9	171.4
16 Appropriations from Healthy School Meals Account	146.9	110.5	107.4
17 TABOR Refund [Article X, Section 20 (7)(d)]			
18 Current year revenue above Referendum C Cap (refunded in following fiscal year)	1,994.8	1,258.5	1,730.6
19 JBC Placeholder Employment Support Fund Change	(38.0)	(24.5)	(24.5)
20 <i>Transfers Out and Other Diversions</i>			
21 SB23B-001 Warrant for Local Government Reimbursement	50.7	0.0	0.0
22 Transportation (existing law reflected in forecast)	5.0	117.5	117.5
23 Capital/IT projects	351.4	252.7	272.3
24 Requested emergency reserve transfer	0.0	32.0	0.0
25 Other Transfers and Diversions (existing law reflected in forecast)	545.6	563.9	421.3
26 Subtotal: Other Obligations	3,288.1	2,486.6	2,796.0
27 Total General Fund Obligations	\$18,098.5	\$18,163.1	\$19,318.2
28 PLUS: Reversions and Accounting Adjustments (including under-refunds of TABOR surpluses from prior years)	n/a	n/a	n/a
29 Reserve			
30 Fiscal Year-end General Fund Reserve	\$2,256.5	\$2,250.5	\$2,134.1
31 Statutorily Required Reserve Percent	15.0%	15.0%	15.0%
32 Required Reserve Amount	\$2,221.6	\$2,351.5	\$2,478.3
33 Year-end Reserve Above/(Below) Requirement	\$35.0	(\$101.0)	(\$344.3)

OVERVIEW ASSUMPTIONS FOR FY 2024-25 AND FY 2025-26

- **JBC action is pending for multiple decision items** for FY 2024-25 that would be included in the appropriations in row 5 of the tables. As indicated in the discussion of Table 2, for these pending items staff is reflecting the JBC staff recommended amounts for FY 2024-25 and the associated out-year impacts.
- **For operating appropriations in FY 2025-26, staff has included the estimated “annualization” of those changes.** This amount includes \$390.6 million to annualize the impacts of decision items and budget amendments as approved by the JBC (or as recommended by staff for pending items). It also includes the following rough estimates: \$117.3 million in total compensation increases for state employees, \$89.6 million for provider rate increases, and \$50.8 million in increases for institutions of higher education.
- **The JBC has approved a variety of placeholders and bill drafts discussed above.** Staff has included estimated General Fund impacts of JBC bills that have been approved for introduction as well as those that have only been authorized to be drafted *[see rows 7 through 10]*.
- **The JBC has not yet taken action concerning capital construction and capital information technology projects.** For purposes of this document, staff has included the General Fund transfers that would be required in FY 2024-25 if the JBC were to approve the recommendations of the Capital Development Committee (CDC) and the Joint Technology Committee (JTC). The outyear (FY 2025-26) amounts reflect current law requirements plus continuation amounts for the projects prioritized by both Committees and the 1.0 percent goal for controlled maintenance for capital construction projects (which equates to \$175.6 million).
- **The JBC has also not yet taken action on most requests for placeholders for appropriations, transfers, or balancing proposals that would be included in other bills beyond those reflected in this document.** The following table attempts to capture proposals that are still outstanding from the Governor’s budget proposal.

FY 2024-25 GOVERNOR REQUESTED BUDGET BALANCING PROPOSALS FOR GENERAL FUND OVERVIEW	
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
Subtotal: Expenditure Proposals Subject to Limit	\$87,694,132
Governor Requested Revenue Proposals Subject to Limit	
State Employee Reserve Fund Transfer (Jan. 2 proposal)	(\$31,500,000)
Severance Tax Cash Fund Repurpose	(19,300,000)
Subtotal: Requested Revenue Proposals Subject to Limit	(\$50,800,000)
Governor Requested General Fund Transfer Holds	
Transit Oriented Development	\$35,000,000
STR Local Government Reimbursement	15,000,000
Public Safety: Investment in Local Crime Prevention	7,500,000
Governor OEDIT: Opportunity Now 2.0	5,250,000

FY 2024-25 GOVERNOR REQUESTED BUDGET BALANCING PROPOSALS FOR GENERAL FUND OVERVIEW	
CATEGORY/DESCRIPTION	FY 2024-25 GF IMPACT
Other Governor Requests	5,000,000
Labor: Retail EV Charging Stations	263,065
DORA: Placeholder for Natural Medicine	100,000
Subtotal: Requested Transfer Holds	\$68,113,065
Governor Requested Revenue Proposals Not Subject to Limit	
Severance Tax Cash Fund Transfer to Capital Construction Fund	(50,000,000)
Gaming and Cigarette Revenue Reclassification	(31,500,000)
Hard (non-cash) Assets in Emergency Reserve	(29,000,000)
Subtotal: Revenue Proposals Not Subject to the Limit	(\$110,500,000)