

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

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JBC ACTIONS TO DATE IN THE CONTEXT OF THE OSPB MARCH 2023 REVENUE FORECAST

GENERAL FUND OVERVIEW

On Monday, the Joint Budget Committee (JBC) voted to use the Office of State Planning and Budgeting (OSPB) March 2024 revenue forecast as the basis for finalizing FY 2023-24 appropriations and proposing the FY 2024-25 budget. This document is intended to provide a framework for the JBC to make final decisions concerning its 2024 budget proposal.

This document essentially provides an update to staff's March 15, 2024 document, "Overview of Joint Budget Committee Actions to Date and Pending Items for FY 2023-24 and FY 2024-25". **Table 1 updates the General Fund Overview summary from the previous document to reflect the Committee's decisions this week as well as corrections to data to ensure alignment with the forecast. Major changes include the following:**

- *Row 4:* Reflects transfers TO the General Fund that the Committee has approved for drafting and/or introduction. Over the two-year period, those transfers make \$104.9 million available on a one-time basis. **Note: Based on updated information from the Governor's Office, staff recommends changing the Committee's previous motion (to transfer \$31.5 million from the State Employee Reserve Fund to the General Fund in FY 2024-25) to instead transfer \$31.16 million in FY 2023-24 (on June 30, 2024).**
- *Row 7:* Reflects appropriation changes for inclusion in the Long Bill (including as "add-ons" for FY 2023-24) since the March 15 "snapshot". The FY 2023-24 appropriation increased by \$2.9 million, and the FY 2024-25 appropriation increased by \$18.3 million, primarily through the combination of agency and staff "comeback" decisions. This amount anticipates known comebacks to correct errors in the Departments of Treasury (PERA Direct Distribution) and Revenue.
- *Row 8:* Updates changes to appropriations approved for inclusion in "Long Bill Package" bills to reflect Committee decisions. See Table 2 for additional detail on appropriations for legislation outside of the Long Bill.
- *Row 11:* Now separately identifies the ARPA Swap money (from a non-package bill), which makes \$197.8 million available on a one-time basis in FY 2024-25.
- *Row 20:* Adds a correction to reflect the TABOR impact of changes to the Dental Provider Rate in the Long Bill (which increases the TABOR refund by \$10.2 million starting in FY 2024-25). This is a correction to previous overviews.
- *Rows 21 through 23:* Reflect the separate TABOR impacts of three Committee-approved bills.

After accounting for all of these changes, the overview provides \$130.0 million General Fund available above the 15.0 percent statutory reserve for FY 2024-25. Please note that the **green** highlighted cells indicate one-time revenues that are assumed in the budget package as approved by the Committee to date, a total of \$302.7 million over the two year period.¹ It is important to note that this degree of one-time funding will present challenges in balancing in subsequent years. In short, the

¹ Please note that for simplicity the table reflects the entire reduction in General Fund appropriations associated with the ARPA swap as taking place in FY 2024-25 although that impact will actually be spread over both years.

Committee's actions to date (assuming enactment of all bills) would leave \$130.0 million General Fund available for appropriation in FY 2024-25 or to retain for subsequent years.

GENERAL FUND OVERVIEW AS OF MARCH 21, 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	\$2,354.0	\$2,475.6
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	JBC bills approved for introduction or sent to draft with transfers TO the General Fund (Private COF and State Employee Reserve Fund in FY 2023-24/ Severance and COVID "Dermody" Heroes in FY 2024-25)	32.2	72.7	n/a
5	Total General Fund Available	\$20,387.2	\$20,583.8	\$21,677.5
LESS: General Fund Obligations				
7	Appropriations (JBC Action for FY 2023-24 and FY 2024-25, projected FY 2025-26)	\$15,189.4	\$16,209.3	\$16,857.5
8	JBC Long Bill Package bills (appropriations)	(\$11.4)	(\$44.5)	(\$7.5)
9	JBC Bills Outside of Long Bill Package (appropriations)	\$0.0	\$0.4	
10	JBC placeholders for non-JBC bills	\$0.0	\$23.8	\$40.1
11	JBC placeholder for ARPA Swap (Outside package)	\$0.0	(\$197.8)	\$0.0
12	LESS: Appropriations for rebates and expenditures	(226.1)	(237.3)	(248.1)
13	LESS: Appropriations from Healthy School Meals Account	(156.0)	(116.2)	(107.4)
14	Subtotal: Appropriations subject to statutory reserve requirement	14,795.9	15,637.5	16,536.6
15	<i>Annual Percent Change</i>	<i>11.0%</i>	<i>5.7%</i>	<i>5.7%</i>
16	Rebates and Expenditures (reflected in forecast)	231.8	175.9	171.4
17	Appropriations from Healthy School Meals Account	156.0	116.2	107.4
18	TABOR Refund [Article X, Section 20 (7)(d)]			
19	Current year revenue above Referendum C Cap (refunded in following fiscal year)	2,028.1	1,293.8	1,767.1
20	TABOR Impact of Long Bill Dental Provider Rate Increase	0.0	10.2	10.2
21	TABOR Impact of CSI Mill Levy Equalization	0.0	(0.7)	(0.7)
22	JBC Placeholder Employment Support Fund Change	(49.5)	(24.5)	(24.5)
23	Tobacco Tax Rebate and Gaming Reclassification	(31.1)	(31.5)	(31.9)
24	<i>Transfers Out and Other Diversions</i>			
25	Transportation (existing law reflected in forecast)	5.0	117.5	117.5
26	Capital/IT projects	351.4	234.4	272.3
27	Transfers Out to Other Funds (Long Bill Package)	0.0	15.2	n/a
28	Transfer to 250/150 Commission Cash Fund	0.0	0.3	0.0
29	Other Transfers and Diversions (existing law reflected in forecast)	545.6	563.9	421.3
30	Subtotal: Other Obligations	3,237.3	2,470.7	2,810.0
31	Total General Fund Obligations	\$18,033.2	\$18,108.2	\$19,346.7
32				
33	PLUS: Reversions and Accounting Adjustments (including under-refunds of TABOR surpluses from prior years)	n/a	n/a	n/a
34				
35	Reserve			
36	Fiscal Year-end General Fund Reserve	\$2,354.0	\$2,475.6	\$2,330.8
37	Statutorily Required Reserve Percent	15.0%	15.0%	15.0%
38	Required Reserve Amount	\$2,219.4	\$2,345.6	\$2,480.5
39	Year-end Reserve Above/(Below) Requirement	\$134.6	\$130.0	(\$149.7)

Table 2 provides additional detail on the appropriations, transfers, and other changes *with General Fund impacts* that the Committee has approved to date as **JBC bills**, including both within and outside of the Long Bill Package. In Table 2, yellow highlighted cells indicate amounts that have been sent to draft but not yet approved for introduction. Staff has highlighted the amount associated with the PERA Actuarial Study Refresh in green based on a new estimate from the Auditor’s Office that the bill will require \$388,750 General Fund rather than the \$200,000 initially assumed by the Committee. On net, the bills reduce General Fund appropriations by \$11.4 million in FY 2023-24 and \$44.1 million in FY 2024-25. In addition, the bills make an estimated \$112.7 million available in FY 2023-24 and \$312.1 million available in FY 2024-25.

As indicated in the footnote, an “*” indicates that the item originated as an Executive Branch request.

TABLE 2 GENERAL FUND IMPACTS OF JBC BILLS				
	FY 2023-24		FY 2024-25	
	GF APPROPRIATIONS	GF REVENUE OR TRANSFER/TABOR	GF APPROPRIATIONS	GF REVENUE OR TRANSFER/TABOR
Long Bill Package Bills				
*Corrections: R5 Broadband			\$111,671	(\$5,491,033)
Education: CSI Mill Levy Equalization			(22,000,000)	735,000
Education: Delay Health School Meals for All Grants	(15,456,859)		(40,643,095)	
Education: ASCENT Changes			45,600	
*Governor: OEDIT Creative Districts				(500,000)
*Governor: OEDIT Procurement Technical Assistance				(220,000)
*HCPF: Payment to Denver Health			5,000,000	
*Higher Ed: Postsecondary Assistance for High School Students who Experienced Homelessness			1,668,381	
*Higher Education: Private COF Transfer		1,000,000		
Higher Ed: Direct OIT to Evaluate CDHE Consolidation			280,000	
Human Services: Adoption and Relative Guardianship Assistance	4,021,240		4,632,795	
Human Services: Food Pantry/Bank Assistance Grants			3,000,000	
*Human Services BHA: School-based Behavioral Health Support			2,500,000	
*Labor: Employment Support Fund Restructure		49,456,237	0	24,462,740
*Natural Resources: Transfers from Severance Tax to GF				69,346,364
PERA Actuarial Study Refresh			388,750	
*Personnel: Transfer from State Employee Reserve Fund to GF		31,160,000		
Personnel: COVID Heroes Collaboration Fund Transfer				3,396,837
Pub Health and Environment: Codify Healthy Food Incentives			500,000	
*Public Safety: Transfer to MCPCI Cash Fund				(5,000,000)
*Public Safety: Transfer to Colorado Crime Victims Services Fund				(4,000,000)
Subtotal: Long Bill Package Bills	(\$11,435,619)	\$81,616,237	(\$44,515,898)	\$82,729,908
JBC Bills Outside of the Long Bill Package				
*Statewide: ARPA Placeholder			\$0	\$197,840,484
Corrections: Evaluation of DOC Budget Practices			\$400,000	
*Gaming and Tobacco Tax Revenue Reclassification		31,083,558		\$31,509,689
Subtotal: Bills outside of Long Bill Package	\$0	\$31,083,558	\$400,000	\$229,350,173
Total: JBC Bills	(\$11,435,619)	\$112,699,795	(\$44,115,898)	\$312,080,081

*Originated as Executive Branch request

Finally, Table 3 shows Committee-approved placeholders for **non-JBC bills**. That list totals \$23.8 million in appropriations in FY 2024-25. For this table, staff has included the outyear impact in FY 2025-26

TABLE 3: 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 ¹	2,093,250	0	13,276,895	0
Total: Placeholders for Non-JBC Bills	\$23,752,907	(\$250,000)	\$40,054,018	\$0

*Originated as Executive Branch request

¹Legislative Council Staff Fiscal Note for SB 24-059 anticipates a General Fund cost of \$230.6 million in FY 2026-27.