

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Joint Budget Committee Members
 FROM Jon Catlett, JBC Staff (303-866-4386)
 DATE March 19, 2024
 SUBJECT Marijuana Tax Cash Fund Solvency and Appropriations

This memorandum provides an update on the Committee's actions to date (as of March 15, 2024) regarding appropriations from the Marijuana Tax Cash Fund (MTCF) for FY 2024-25 and concerns related to the fund's solvency in FY 2023-24 and FY 2024-25 based on the March 2024 Legislative Council Staff (LCS) and Office of State Planning and Budgeting (OSPB) revenue forecasts.

Falling projections of marijuana tax revenues under both forecasts indicate that the MTCF will not have sufficient money available to support its current obligations in FY 2023-24, and the actions taken to date for FY 2024-25 (including the transfers set in current law and the appropriations approved by the Committee to date). With no further action by the Committee, under OSPB's marijuana revenue assumptions, the MTCF will finish the current fiscal year \$19.8 million below the statutory 15.0 percent reserve. However, **if marijuana revenue trends in line with the LCS forecast, which projects FY 2023-24 MTCF revenue to be \$3.8 million lower than OSPB's forecast, then current year obligations will deplete the entirety of the \$23.4 million statutory reserve, and erode \$0.2 million of the TABOR emergency reserve.**

RECOMMENDATION

FY 2023-24: Given the anticipated shortfall in FY 2023-24 and the extraordinarily limited balancing options at this point in the fiscal year, **staff recommends that the Committee sponsor legislation to postpone or eliminate the \$20.0 million transfer to the Public School Capital Construction Assistance Fund (PSCCAF) currently scheduled for June 1, 2023.** Table 1, below, shows the projected FY 2023-24 MTCF year ending balance given no further action by the Committee. Eliminating the transfer, under OSPB's MTCF revenue assumptions, will leave the fund approximately \$195,872 above the statutory 15.0 percent reserve requirement. **Note that under the March 2024 LCS MTCF forecast, even with the elimination of the \$20.0 million transfer to the Public School Capital Construction Assistance Fund (PSCCAF), the MTCF is projected to end FY 2023-24 \$3.6 million below the statutory reserve.**

TABLE 1 - MARIJUANA TAX CASH FUND PROJECTIONS - MARCH 2024 OSPB FORECAST AND SESSION APPROPRIATIONS	
DESCRIPTION	FY 2023-24
Beginning fund balance as of July 1, 2022 (per Department of Revenue)	\$140,069,941
PLUS: Total MTCF share of revenue (March 2024 OSPB Forecast)	139,811,735
LESS: Amount designated as TABOR emergency reserve	(100,000,000)
Amount available after TABOR reserve	179,881,676
LESS: S.B. 21-207 (Pub School Cap Const Assistance Fund Transfer) and H.B. 22-1341 (Marijuana Tax Cash Fund) Transfer to Education	(20,000,000)
PLUS: DOR Supplemental Letternote Correction	408,612
LESS: H.B. 21-1315 (Costs Assessed to Juveniles in the Criminal Justice System) Transfers	(598,000)
LESS: Current/requested annual appropriations to a variety of departments	(156,083,840)
LESS: Recommended statutory reserve (15.0 percent of appropriations)	(23,412,576)

TABLE 1 - MARIJUANA TAX CASH FUND PROJECTIONS - MARCH 2024 OSPB FORECAST AND SESSION APPROPRIATIONS	
DESCRIPTION	FY 2023-24
EQUALS: Estimated available balance above/(deficit below) 15.0 percent statutory reserve	(\$19,804,128)
PLUS: Total reserve amounts	123,412,576
PLUS: Estimated FY 2023-24, FY 2024-25 budget reversion	4,750,000
Year-end fund balance (including reserves)	\$108,358,448

FY 2024-25: Table 2 below shows the projected year end fund balance in FY 2023-24 and FY 2024-25 under the March 2024 OSPB revenue projections. The table incorporates all Committee action to date. If FY 2024-25 Committee action is pending, then the numbers in the table below reflect Staff recommendation. Note, that shifting the PSCCAF transfer to FY 2024-25, leaves the fund \$12.5 million below the statutory reserve requirement in FY 2024-25. Also **note, that this projection incorporates significantly higher revenue projections than the LCS forecast. Under LCS's revenue projections, and incorporating the identical assumptions as below, the outlook for MTCF is much less favorable.**

TABLE 2 - MARIJUANA TAX CASH FUND PROJECTIONS FY 2023-24 & FY 2024-25 - MARCH 2024 OSPB FORECAST		
DESCRIPTION	FY 2023-24	FY 2024-25
Beginning fund balance as of July 1, 2022 (per Department of Revenue)	\$140,069,941	\$128,358,448
PLUS: Total MTCF share of revenue (March OSPB)	139,811,735	157,963,380
LESS: Amount designated as TABOR emergency reserve	(100,000,000)	(100,000,000)
Amount available after TABOR reserve	179,881,676	186,321,828
LESS: S.B. 21-207 (Pub School Cap Const Assistance Fund Transfer) and H.B. 22-1341 (Marijuana Tax Cash Fund) Transfer to Education		(20,000,000)
PLUS: DOR Supplemental Letternote Correction	408,612	0
LESS: H.B. 21-1315 (Costs Assessed to Juveniles in the Criminal Justice System) Transfers	(598,000)	(598,000)
LESS: Current/requested annual appropriations to a variety of departments	(156,083,840)	(155,002,266)
LESS: Recommended statutory reserve (15.0 percent of appropriations)	(23,412,576)	(23,250,340)
EQUALS: Estimated available balance above/(deficit below) 15.0 percent statutory reserve	\$195,872	(\$12,528,778)
PLUS: Total reserve amounts	123,412,576	123,250,340
PLUS: Estimated FY 2023-24, FY 2024-25 budget reversion	4,750,000	1,500,000
Year-end fund balance (including reserves)	\$128,358,448	\$112,221,562

Table 3 below shows the projected year-end fund balance in FY 2023-24 and FY 2024-25 under the March 2024 LCS revenue projections. The table incorporates all Committee action to date but shifts the transfer to the PSCCAF to FY 2025-26. If FY 2024-25 Committee action is pending, the numbers in the table below reflect Staff recommendations. Note that under LCS revenue projections, even delaying or eliminating the \$20.0 million PSCCAF transfer will leave the fund \$3.6 million below the statutory reserve in FY 2023-24, and the fund is projected to end FY 2024-25, approximately \$10.7 million below the statutory reserve.

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TABLE 3. TABLE MARIJUANA TAX CASH FUND PROJECTIONS FY 2023-24 & FY 2024-25 - MARCH 2024 LCS FORECAST		
DESCRIPTION	FY 2023-24	FY 2024-25
Beginning fund balance as of July 1, 2022 (per Department of Revenue)	\$140,069,941	\$124,577,931
PLUS: Total MTCF share of revenue (March OSPB)	\$136,031,218	143,553,199
LESS: Amount designated as TABOR emergency reserve	(100,000,000)	(100,000,000)
Amount available after TABOR reserve	176,101,159	168,131,130
LESS: S.B. 21-207 (Pub School Cap Const Assistance Fund Transfer) and H.B. 22-1341 (Marijuana Tax Cash Fund) Transfer to Education		0
PLUS: DOR Supplemental Letternote Correction	408,612	0
LESS: H.B. 21-1315 (Costs Assessed to Juveniles in the Criminal Justice System) Transfers	(598,000)	(598,000)
LESS: Current/requested annual appropriations to a variety of departments	(156,083,840)	(155,002,266)
LESS: Recommended statutory reserve (15.0 percent of appropriations)	(23,412,576)	(23,250,340)
EQUALS: Estimated available balance above/(deficit below) 15.0 percent statutory reserve	(\$3,584,645)	(\$10,719,476)
PLUS: Total reserve amounts	123,412,576	123,250,340
PLUS: Estimated FY 2023-24, FY 2024-25 budget reversion	4,750,000	1,500,000
Year-end fund balance (including reserves)	\$124,577,931	\$114,030,864

DISCUSSION AND ANALYSIS

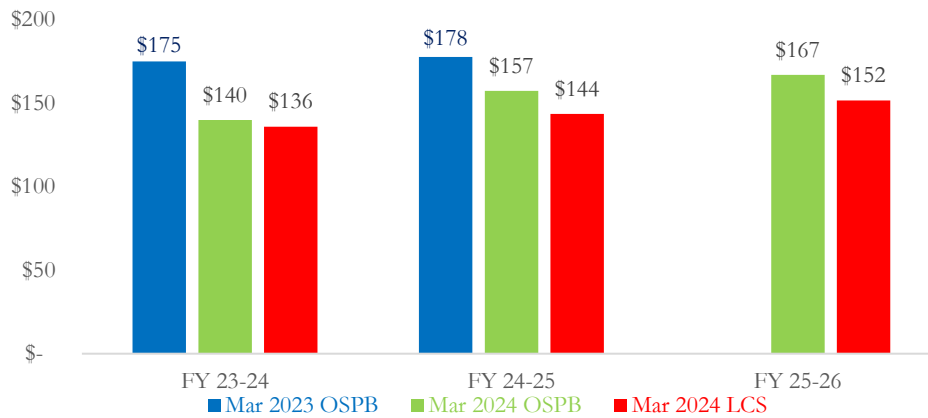
After peaking at \$201.9 million in FY 2020-21, MTCF revenues have steadily decreased as a result of market conditions and variables that appear yet to be fully understood. While the March 2023 OSPB revenue forecast (which the General Assembly used to “balance” the MTCF for the current year) anticipated revenue of \$175 million in revenues in FY 2023-24, current projections are well below that level. The March 2024 OSPB forecast for FY 2023-24 was revised downwards by approximately \$35 million and now anticipates a total of \$139.8 million in the current year. Additionally, the LCS forecast projects even lower revenues, anticipating approximately \$136 million in the current fiscal year.

The table below shows the most recent revenue forecast for both OSPB and LCS. Additionally, the table provides MTCF revenue over the previous four fiscal years, as well as the growth rate of MTCF revenue, and the projected growth rates implied in both forecasts.

TABLE 4. MTCF PROJECTED REVENUE							
	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Actuals	\$171.1	\$201.9	\$179.1	\$149.9			
<i>*growth rate</i>	26.1%	18.0%	-11.3%	-16.3%			
Sep 2023 OSPB					\$164.8	\$178.6	\$181.9
<i>*forecast growth</i>					9.9%	8.4%	1.8%
Mar 2024 OSPB					139.9	157.4	167.1
<i>*forecast growth</i>					-6.7%	12.5%	6.2%
Mar 2024 LCS					136.0	143.6	151.8
<i>*forecast growth</i>					-9.3%	5.5%	5.7%
<i>March 2024 Forecast LCS-OSPB</i>					(\$3.9)	(\$13.8)	(\$15.3)

The following chart compares MTCF revenue expectations from the March 2023 OSPB forecast and both of the March 2024 forecasts. As shown in the diagram, the two current forecasts are beginning to converge in the current budget year, FY 2023-24, as would be expected (though they still differ by \$3.9 million). The two forecasts differ by approximately \$13.8 million in FY 2024-25, which has significant implications for FY 2024-25 budget balancing.

Projected MTCF collections have dropped significantly since the March 2023 OSPB forecast which was used to balance the MTCF in FY 2023-24. (millions)



Over the previous two fiscal years, both LCS and OSPB have consistently overestimated the amount of MTCF revenue to be collected in out years. However, OSPB has made downward revisions in twenty-three out of twenty-four forecast periods over the most recent eight quarterly forecasts. Staff see considerable risk balancing to OSPB's FY 2024-25 MTCF revenue projection. While this Staff is agnostic about which budget the Committee chooses to balance the overall state budget, Staff do see considerable risk in balancing to the optimistic MTCF revenue forecast. If OSPB's FY 2024-25 MTCF revenue forecast is selected for balancing, Staff would recommend maintaining extraordinary flexibility in the FY 2024-25 MTCF budget for mid-year downside revisions.

Forecast	TABLE 5. PROJECTED ANNUAL MTCF REVENUE (MILLIONS)					QUARTER - QUARTER CHANGE(MILLIONS)				
	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
22-Mar	185.4	192.9	199.0							
22-Jun	178.5	179.9	184.2			-6.9	-13.0	-14.8		
22-Sep	178.2	174.6	183.8	186.9		-0.3	-5.3	-0.4		
22-Dec		167.8	181.2	184.2			-6.8	-2.6	-2.7	
23-Mar		154.5	175.1	177.8			-13.3	-6.1	-6.4	
23-Jun		151.9	172.5	175.3			-2.6	-2.6	-2.5	
23-Sep		149.4	164.8	178.6	181.9		-2.5	-7.7	3.3	
23-Dec			154.9	175.5	179.5			-9.9	-3.1	-2.4
24-Mar			139.8	158.0	167.6			-15.1	-17.5	-11.9

OSPB REVISED RECOMMENDATION

During OSPB comebacks on March 12, 2024, a rebalancing proposal was submitted that attempts to align the Governor's request with MTCF revenue realities. As previously discussed, OSPB's March forecast includes significant downward revisions in its revenue projections. Due to these declining marijuana revenues, OSPB presented the following recommendation to the Committee in attempt to remain in compliance with the statutorily required reserve in FY 2024-25.

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- Sponsor legislation to shift the \$20.0 million MTCF transfer to BEST from FY 2023-24 to FY 2024-25. This delay will not provide any net-savings, but would keep the fund from falling below the statutory reserve requirement in the current fiscal year.
- Refinance \$15.3 million in Affordable Housing Construction Grants and Loans in the Department of Local Affairs from MTCF to General Fund.
- Either swap \$3.6 million of funding for the Tony Grampsas Youth Services Program from MTCF to General Fund, or alternatively do not increase the appropriation.
- Reduce by \$2.0 million MTCF funding the appropriation to Department of Public Health & Environment for Distributions to LPHAs. This would not impact the General Fund appropriation.
- Reduce the proposed MTCF appropriation for Cannabis Business Office by \$0.75 million to \$2.0 million. (The November Governor’s request was originally for \$5.0 million, and was subsequently reduced in January to \$2.75 million.)
- Reduce the CSU AgrAbility Project Appropriation by \$0.5 million. This program has underspent the last two fiscal years by more than \$520,000.
- Swap \$0.5 million MTCF with General Fund for the Veterans to Career program as outlined in S.B. 24-109 (Continue Colorado Veterans' Service-to-Career Program)

Table 6 below provides an overview of the revised Governor’s request presented during comebacks.

TABLE 6 - MARIJUANA TAX CASH FUND PROJECTIONS - OSPB COMEBACK - MARCH 2024 OSPB FORECAST AND SESSION APPROPRIATIONS		
DESCRIPTION	FY 2023-24	FY 2024-25
Beginning fund balance as of July 1, 2022 (per Department of Revenue)	\$140,069,941	\$128,348,448
PLUS: Total MTCF share of revenue (March OSPB)	139,811,735	157,963,380
LESS: Amount designated as TABOR emergency reserve	(100,000,000)	(100,000,000)
Amount available after TABOR reserve	179,871,676	186,311,828
LESS: S.B. 21-207 (Pub School Cap Const Assistance Fund Transfer) and H.B. 22-1341 (Marijuana Tax Cash Fund) Transfer to Education		(20,000,000)
LESS: Requested Legislative placeholder for I Matter Continuation (Department of Human Services)		0
LESS: Requested legislative placeholder for OEDIT business office modifications		(2,000,000)
LESS: Requested transfer to IT Capital MED seed-to-sale software		(1,000,000)
LESS: Requested MED support funding (Revenue R5)		(3,500,000)
LESS: Requested Reducing crime and violence (Department of Human Services R2)		0
LESS: Requested Hemp center for excellence (Agriculture R11)		0
LESS: Requested continuation of HB19-1009 (Voucher Grant Program)		(999,479)
<i>PLUS: DOLA Affordable Housing Construction Grants Program Financing swap to GF</i>		<i>15,300,000</i>
PLUS: Early Literacy Cash Fund Swap		5,378,678
PLUS: Reduce CDPHE Distribution to LPHA		1,988,226
PLUS: CSU AgraAbility Reduction		500,000
PLUS: Shift Veterans Program to GF SB24-109		500,000
PLUS: DOR Supplemental Letternote Correction	408,612	408,612
PLUS: Budget reduction to align with expenses (DPS NP4)		673,832
LESS: H.B. 21-1315 (Costs Assessed to Juveniles in the Criminal Justice System) Transfers	(598,000)	(598,000)

TABLE 6 - MARIJUANA TAX CASH FUND PROJECTIONS - OSPB COMEBACK - MARCH 2024 OSPB FORECAST AND SESSION APPROPRIATIONS		
DESCRIPTION	FY 2023-24	FY 2024-25
LESS: Current/requested annual appropriations to a variety of departments	(156,083,840)	(161,285,847)
LESS: Recommended statutory reserve (15.0 percent of appropriations)	(23,412,576)	(21,455,397)
EQUALS: Estimated available balance above/(deficit below) 15.0 percent statutory reserve	\$185,872	\$222,453
PLUS: Total reserve amounts	123,412,576	121,455,397
PLUS: Estimated FY 2023-24, FY 2024-25 budget reversion	4,750,000	1,500,000
Year-end fund balance (including reserves)	\$128,348,448	\$123,177,850

While OSPB’s comeback proposal balances to the OSPB forecast, it includes approximately \$15.3 million General Fund to backfill programs it proposes cutting MTCF funding. This restructured financing would impact the Affordable Housing Grants Program at the Department of Local Affairs. **The March 15, 2024 General Fund revenue forecast projects current FY 2024-25 General Fund obligations to be approximately \$200 million above the spending cap. Consequently, cutting MTCF funding and backfilling it with General Fund will require an equivalent cut to General Fund programs in other areas.**

STAFF RECOMMENDATION

FY 2023-24: Given the anticipated revenue shortfall in FY 2023-24 and the minimal options at this point in the fiscal year, **staff recommends that the Committee consider sponsoring legislation to shift the \$20.0 million transfer to the Public School Capital Construction Assistance Fund (PSCCAF) currently scheduled for June 1, 2024 to June 1, 2026. This shift would keep future funds earmarked for PSCCAF, and allow MTCF revenue time to stabilize.** Staff recognize the Committee’s strong desire to maintain this transfer. However, given the ongoing decline in MTCF revenues, and significant uncertainty regarding future MTCF revenues, staff do not see enough viable cuts to established programs available in the current or next fiscal year to maintain the transfer, and not severely disrupt ongoing programs currently funded by MTCF.

FY 2024-25: The balancing options available to the Committee for FY 2024-25 are entirely contingent upon the MTCF revenue forecast that is chosen for balancing. If the Committee shifts or eliminates the transfer to the PSCCAF, with no further Committee action, the MTCF is projected to face a \$10.0 million shortfall (below the 15.0 percent reserve) in FY 2024-25 under LCS’s revenue projections.

To date, the JBC has taken the following actions regarding the MTCF in FY 2024-25:

- Refinanced \$5.4 million in appropriations to the Early Literacy Competitive Grant Program in the Department of Education (a reduction of \$5.4 million MTCF) on a one-time basis. The Early Literacy Fund (supported by annual transfers from the State Education Fund) has sufficient fund balance to support that appropriation for FY 2024-25 (but not ongoing).
- Approved \$1.0 million for the Continuation of H.B.19-1009 (Voucher Grant Program) in the Department of Local Affairs, which provides ongoing funding for the Substance Use Disorders Housing Grant Program.
- Tabled \$3.6 million in funding for the Tony Grampsas Youth Services Program.

- Denied approval of Department of Revenue request R5, MED Support Funding, and requested a comeback from OSPB. The request has been subsequently revised upwards \$0.5 million since the November budget submission and is now \$3.5 million.

In addition to OSPB’s proposal, Staff offer two additional budget balancing options. Both Staff balancing proposals utilize the more conservative MTCF revenue forecast.

ALTERNATIVE 1

The first MTCF balancing proposal involves General Fund support, and integral to this proposal is a swap of the \$15.3 million MTCF appropriation to the Affordable Housing Grants Program at the Department of Local Affairs with General Fund. Note, this was one of the budget balancing refinancing options proposed by OSPB. Also, based on the current revenue forecast and JBC action to date, this option involves a dollar for dollar opportunity cost of other current General Fund obligations.

This proposal also involves other elements of OSPB’s comeback proposal, including:

- Reducing the CSU AgrAbility Project Appropriation by \$0.5 million. This program has underspent the last two fiscal years by more than \$520,000.
- Swapping \$0.5 million MTCF with General Fund for the Veterans to Career program as outlined in S.B. 24-109 (Continue Colorado Veterans' Service-to-Career Program)

Table 6 below outlines this MTCF budget balancing Alternative 1. Note that with the General Fund swaps, and reductions, the Committee would have approximately \$7.2 million to allocate. Staff have included several of the Governor’s priorities in the table only as placeholders. If the Committee approved the three placeholder requests, then the fund, under the March 2024 LCS revenue projection, is anticipated to end FY 2024-25 \$0.7 million above the statutory reserve.

TABLE 6 - MARIJUANA TAX CASH FUND BALANCING ALTERNATIVE 1 MARCH 2024 LCS FORECAST AND SESSION APPROPRIATIONS		
DESCRIPTION	FY 2023-24	FY 2024-25
Beginning fund balance as of July 1, 2022 (per Department of Revenue)	\$140,059,941	\$124,567,931
PLUS: Total MTCF share of revenue (March OSPB)	\$136,031,218	143,553,199
LESS: Amount designated as TABOR emergency reserve	(100,000,000)	(100,000,000)
Amount available after TABOR reserve	176,091,159	168,121,130
LESS: S.B. 21-207 (Pub School Cap Const Assistance Fund Transfer) and H.B. 22-1341 (Marijuana Tax Cash Fund) Transfer to Education	0	0
LESS: Requested legislative placeholder for OEDIT business office modifications		(2,000,000)
LESS: Requested transfer to IT Capital MED seed-to-sale software		(1,000,000)
LESS: Requested MED support funding (Revenue R5)		(3,500,000)
PLUS: DOLA Affordable Housing Construction Grants Program Financing swap to GF		15,300,000
PLUS: CSU AgrAbility Reduction		500,000
PLUS: Shift Veterans Program to GF SB24-109		500,000
LESS: H.B. 21-1315 (Costs Assessed to Juveniles in the Criminal Justice System) Transfers	(598,000)	(598,000)
LESS: Current/requested annual appropriations to a variety of departments	(156,083,840)	(155,002,266)
LESS: Recommended statutory reserve (15.0 percent of appropriations)	(23,412,576)	(21,630,340)

TABLE 6 - MARIJUANA TAX CASH FUND BALANCING ALTERNATIVE 1 MARCH 2024 LCS FORECAST AND SESSION APPROPRIATIONS		
DESCRIPTION	FY 2023-24	FY 2024-25
EQUALS: Estimated available balance above/(deficit below) 15.0 percent statutory reserve	(\$3,594,645)	\$690,524
PLUS: Total reserve amounts	123,412,576	121,630,340
PLUS: Estimated FY 2023-24, FY 2024-25 budget reversion	4,750,000	1,500,000
Year-end fund balance (including reserves)	\$124,567,931	\$123,820,864

ALTERNATIVE 2

The second MTCTF balancing proposal utilizes the March 2024 LCS forecast and does not involve General Fund swaps to refinance programs. Alternatively, this proposal incorporates cuts to ongoing programs that have historically relied on MTCTF support. These cuts would impact The Department of Human Services, The Department of Health Care Policy and Finance, The Department of Public Health & Environment, and The Department of Higher Education. Staff attempted to prioritize cuts based on programs that are not as directly related to Marijuana or Education.

Alternative 2 involves reductions to the following Departmental programs:

- \$2.2 million reduction to Enhance behavioral health crisis response system in the Department of Human Services.
- \$2.1 million reduction in the Department of Humans Services impacting both Tony Grampsas program line items.
- \$2.0 million reduction to Local Public Health Agencies Grants from the Department of Public Health and Environment.
- \$1.7 million reduction to Programs that fund service alternatives to placing youth in a correctional facility (S.B. 91-094).
- \$0.5 million reduction to the Screening, Brief Intervention, and Referral to Treatment (SBIRT) training grants in the Department of Health Care Policy & Financing.
- \$0.5 million reduction to the CSU AgrAbility Project Appropriation in the Department of Higher Education. This program has underspent the last two fiscal years by more than \$520,000.
- \$0.5 million MTCTF swap with General Fund for the Veterans to Career program as outlined in S.B. 24-109 (Continue Colorado Veterans' Service-to-Career Program)

TABLE 7 - MARIJUANA TAX CASH FUND BALANCING ALTERNATIVE 2 MARCH 2024 LCS FORECAST AND SESSION APPROPRIATIONS		
DESCRIPTION	FY 2023-24	FY 2024-25
Beginning fund balance as of July 1, 2022 (per Department of Revenue)	\$140,069,941	\$124,577,931
PLUS: Total MTCTF share of revenue (March OSPB)	\$136,031,218.0	143,553,199
LESS: Amount designated as TABOR emergency reserve	(100,000,000)	(100,000,000)
Amount available after TABOR reserve	176,101,159	168,131,130
LESS: S.B. 21-207 (Pub School Cap Const. Assistance Fund Transfer) and H.B. 22-1341 (Marijuana Tax Cash Fund) Transfer to Education	0	0
PLUS: Enhance Behavioral Health Crisis Response Systems (DHS)		2,184,070
PLUS: Youth Mentoring Services Programs for Tony Grampsas (DHS)		2,149,572
PLUS: Local Public Health Agencies Grants (CDPHE)		1,997,971
PLUS: Programs that fund service alternatives to placing youth in a correctional facility (DHS)		1,681,279
PLUS Training for health prof to provide Screening, Brief Intervention, and Referral for Treatment (SBIRT) for Medicaid clients (HCPF)		500,000

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TABLE 7 - MARIJUANA TAX CASH FUND BALANCING ALTERNATIVE 2 MARCH 2024 LCS FORECAST AND SESSION APPROPRIATIONS		
DESCRIPTION	FY 2023-24	FY 2024-25
PLUS: CSU AgraAbility Reduction		500,000
PLUS: Shift Veterans Program to GF SB24-109		500,000
PLUS: DOR Supplemental Letternote Correction	408,612	0
PLUS: Budget reduction to align with expenses (DPS NP4)		0
LESS: H.B. 21-1315 (Costs Assessed to Juveniles in the Criminal Justice System) Transfers	(598,000)	(598,000)
LESS: Current/requested annual appropriations to a variety of departments	(156,083,840)	(155,002,266)
LESS: Recommended statutory reserve (15.0 percent of appropriations)	(23,412,576)	(21,913,106)
EQUALS: Estimated available balance above/(deficit below) 15.0 percent statutory reserve	(\$3,584,645)	\$130,649
PLUS: Total reserve amounts	123,412,576	121,913,106
PLUS: Estimated FY 2023-24, FY 2024-25 budget reversion	4,750,000	1,500,000
Year-end fund balance (including reserves)	\$124,577,931	\$123,543,756

MARIJUANA TAX CASH FUND UPDATE
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APPENDIX A: SUMMARY OF MARIJUANA TAX CASH FUND APPROPRIATIONS FOR FY 2022-23 AND FY 2023-24				
	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2024-25 JBC Action	JBC Action - Request
Breakdown of Appropriations by Department and Program				
Agriculture:				
Pesticide control and regulation	\$1,247,195	\$2,715,042	\$1,247,195	(\$1,467,847)
Colorado State Fair Authority: FFA and 4-H programming	300,000	300,000	300,000	\$0
Centrally appropriated amounts not accounted for above	<u>590,820</u>	<u>713,030</u>	<u>678,782</u>	(\$34,248)
Subtotal: Agriculture	2,138,015	3,728,072	2,225,977	(1,502,095)
Early Childhood:				
Community and Family Support	119,288	124,682	124,682	0
Social-Emotional Learning Programs Grants	801,264	817,289	821,296	4,007
Centrally appropriated amounts not accounted for above	<u>29,511</u>	<u>71,739</u>	<u>49,295</u>	(22,444)
Subtotal: Early Childhood	950,063	1,013,710	995,273	(18,437)
Education:				
School Health Professionals Grant Program	14,968,106	14,988,339	14,959,883	(28,456)
Early Literacy Competitive Grant Program (refinance recommended)	0	5,378,678	0	(5,378,678)
Office of Dropout Prevention and Student Reengagement	2,010,299	2,014,663	2,002,857	(11,806)
Appropriation to the School Bullying Prevention and Education Cash Fund	1,000,000	1,000,000	1,000,000	0
Concurrent Enrollment Expansion and Innovation Grant Program	1,476,896	1,476,948	1,476,948	0
K-5 Social and Emotional Health Pilot Program	2,502,225	2,502,388	2,502,388	0
Centrally appropriated amounts not accounted for above	<u>202,410</u>	<u>168,825</u>	<u>206,810</u>	37,985
Subtotal: Education	22,159,936	27,529,841	22,148,886	(5,380,955)
Governor:				
Evidence-based policymaking evaluation and support	500,000	500,000	500,000	0
Office of Information Technology, Enterprise Solutions	453,812	453,812	453,812	0
Governor's Office	106,912	106,912	106,912	0
Cannabis Resource Optimization Program (FY 2022-23 R1)	0	0	0	0
Centrally appropriated amounts not accounted for above	<u>81,808</u>	<u>75,758</u>	<u>51,124</u>	(24,634)
Subtotal: Governor	1,142,532	1,136,482	1,111,848	(24,634)
Health Care Policy and Financing:				
Training for health professionals to provide Screening, Brief Intervention, and Referral for Treatment (SBIRT) services for Medicaid clients at risk for substance abuse	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>0</u>
Subtotal: Health Care Policy and Financing	1,500,000	1,500,000	1,500,000	0
Higher Education:				

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	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2024-25 JBC Action	JBC Action - Request
Regulating marijuana concentrates - CU School of Public Health (H.B. 21-1317)	3,000,000	1,000,000	2,000,000	1,000,000
Medication-assisted Treatment Pilot Program (S.B. 17-074)	3,000,000	3,000,000	3,000,000	0
Institute of Cannabis Research at CSU-Pueblo (S.B. 16-191)	3,800,000	3,800,000	3,800,000	0
AgrAbility project at CSU (S.B. 21-137)	900,000	900,000	900,000	0
Opioid awareness campaign, grant assistance, and provider education per Section 27-80-118, C.R.S.	1,250,000	1,250,000	1,250,000	0
Perinatal Data Linkage Study (S.B. 19-228)	<u>0</u>	<u>0</u>		0
Subtotal: Higher Education	11,950,000	9,950,000	10,950,000	1,000,000
Human Services:				
Increasing access to effective substance use disorder services, including evaluation of intensive residential treatment (S.B. 16-202)	16,606,437	16,938,566	17,021,598	83,032
Criminal justice diversion programs (Law Enforcement Assisted Diversion or "LEAD" pilot programs and S.B. 17-207)	6,064,258	6,099,775	6,129,470	29,695
Circle Program and other rural treatment programs for people with co-occurring mental health and substance use disorders	6,039,767	5,741,377	5,771,576	30,199
Mental health services for juvenile and adult offenders	6,088,309	6,210,075	6,240,517	30,442
Enhance behavioral health crisis response system (S.B. 17-207)	5,204,628	5,308,720	5,334,744	26,024
Programs that fund service alternatives to placing youth in a correctional facility (S.B. 91-094)	3,288,676	2,731,638	3,362,557	630,919
Tony Grampsas Youth Services Program grants for the prevention of youth marijuana use	1,635,727	5,243,639	1,649,572	(3,594,067)
Community prevention and treatment for alcohol and drug abuse	629,881	629,881	645,628	15,747
Office of Behavioral Health administrative expenses	843,737	1,016,369	1,016,369	0
Treatment and Detoxification Programs	7,177,659	6,825,126	6,857,100	31,974
Substance use disorder treatment at the mental health institutes	627,143	722,041	806,678	84,637
Appropriation to the Youth Mentoring Services Cash Fund (Tony Grampsas Youth Services Program)	500,000	500,000	500,000	0
Mental Health Treatment for Children and Youth at Risk of Out-of-home Placement	445,954	453,698	455,928	2,230
Medication consistency and health information exchange (S.B. 17-019)	760,700	760,700	760,700	0
Office of Children, Youth, and Families Program Administration	397	437	437	0
Office of Information Technology Services, Behavioral Health Capacity Tracking System	42,611	42,611	42,611	0
Indirect cost assessments and centrally appropriated amounts not accounted for above	<u>3,676,451</u>	<u>4,117,766</u>	<u>4,067,259</u>	(50,507)
Subtotal: Human Services	59,632,335	63,342,419	60,662,744	(2,679,675)
Judicial:				

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	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2024-25 JBC Action	JBC Action - Request
Appropriation to the Correctional Treatment Cash Fund for jail-based behavioral health services (administered through the Department of Human Services)	1,626,967	1,626,967	1,626,967	0
Trial court programs	<u>1,107,724</u>	<u>1,107,724</u>	<u>1,107,724</u>	<u>0</u>
Subtotal: Judicial	2,734,691	2,734,691	2,734,691	0
Labor and Employment:				
Colorado Veterans' Service-to-career Pilot Program (H.B. 16-1267)	<u>500,000</u>	<u>0</u>	<u>0</u>	<u>(500,000)</u>
Subtotal: Labor and Employment	500,000	0	0	(500,000)
Law:				
Local law enforcement training through the Peace Officers Standards and Training (POST) Board	1,036,766	1,036,766	1,036,766	0
Office of Community Engagement/Safe2Tell	0	0	0	0
Consumer Protection and Antitrust (S.B. 22-205)	583,000	608,120	583,000	(25,120)
Centrally appropriated amounts not accounted for above	<u>0</u>	<u>48,763</u>	<u>91,183</u>	42,420
Subtotal: Law	1,619,766	1,693,649	1,710,949	17,300
Local Affairs:				
Affordable Housing Construction Grants and Loans (Tabled)	15,300,000	15,300,000	15,300,000	0
Gray and Black Market Marijuana Enforcement Efforts (H.B. 17-1221)	963,668	970,217	970,217	0
Low income rental subsidies	939,649	939,649	939,649	0
Division of Housing Administration	59,830	61,140	61,140	0
Indirect cost assessments and centrally appropriated amounts not accounted for above	<u>312,643</u>	<u>335,521</u>	<u>322,351</u>	(13,170)
Subtotal: Local Affairs	17,575,790	17,606,527	17,593,357	(13,170)
Public Health and Environment:				
Substance abuse prevention	10,054,476	10,065,977	10,065,977	0
Public awareness campaign	965,714	976,202	976,202	0
Colorado Health Service Corps Program (S.B. 18-024)	3,566,369	3,605,101	3,605,101	0
Distributions to Local Public Health Agencies	1,949,240	1,988,226	1,997,971	9,745
Transfer to Harm Reduction Cash Fund	1,800,000	1,800,000	1,800,000	0
Healthy Kids Colorado Survey	759,874	768,127	768,127	0
Marijuana Health Effects Monitoring	371,114	371,114	371,114	0
Health survey data collection	244,134	244,134	244,134	0
Data collection and analysis (S.B. 13-283)	227,302	227,302	227,302	0
Enhanced marijuana data collection through Rocky Mountain Poison and Drug	60,100	60,100	60,100	0
Executive Director's Office, Personal Services	10,948	10,948	10,948	0
Marijuana lab certification	1,156,232	1,156,232	1,156,232	0
Indirect cost assessments and centrally appropriated amounts not accounted for above	<u>2,495,972</u>	<u>2,495,972</u>	<u>2,495,972</u>	0

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	FY 2023-24 Appropriation	FY 2024-25 Request	FY 2024-25 JBC Action	JBC Action - Request
Subtotal: Public Health and Environment	23,661,475	23,769,435	23,779,180	9,745
Public Safety:				
Black market marijuana interdiction/state toxicology lab	4,353,816	4,524,012	4,524,012	0
School Safety Resource Center (Potential Appropriation in 2023 Legislation)	250,000	250,000	250,000	0
Division of Criminal Justice - Study of the impacts of the legalization of retail marijuana (S.B. 13-283/S.B. 16-191), and Law Enforcement Assistance Grant Program (H.B. 18-1020)	1,170,603	499,725	499,725	0
Juvenile diversion programs	400,000	400,000	400,000	0
Enhance school safety incident response grant program	0	0	0	0
State Patrol training academy	150,000	150,000	150,000	0
Public Safety Intelligence Support Related to the Illegal Sale and Diversion of Marijuana	85,352	85,352	85,352	0
Indirect cost assessments and centrally appropriated amounts not accounted for above	<u>1,423,314</u>	<u>1,742,185</u>	<u>1,418,785</u>	(323,400)
Subtotal: Public Safety	7,833,085	7,651,274	7,327,874	(323,400)
Regulatory Agencies:				
Division of Professions and Occupations for medical marijuana enforcement	120,807	120,807	120,807	0
Centrally appropriated amounts not accounted for above	<u>82,000</u>	<u>82,000</u>	<u>82,000</u>	<u>0</u>
Subtotal: Regulatory Agencies	202,807	202,807	202,807	0
Revenue:				
Marijuana Enforcement		3,000,000	0	(3,000,000)
Centrally appropriated amounts not accounted for above	<u>1,533,345</u>	<u>1,517,292</u>	<u>1,108,680</u>	<u>(408,612)</u>
Subtotal: Revenue	1,533,345	4,517,292	1,108,680	(3,408,612)
Transportation:				
Marijuana impaired driving campaign	950,000	950,000	950,000	0
Impairment device study (HB 22-1321)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal: Transportation	950,000	950,000	950,000	0
Total Appropriations (including Long Bill and Other Legislation)	\$156,083,840	\$167,326,199	\$155,002,266	(\$12,323,933)
Statutory Transfers:				
Transfer to Public School Capital Construction Assistance Fund (S.B. 21-207, H.B. 22-1341, S.B. 23-220))	\$20,000,000	\$0	\$0	\$0
Transfers to various criminal justice related funds (H.B. 21-1315)	<u>598,000</u>	<u>598,000</u>	<u>598,000</u>	<u>0</u>
Total Statutory Transfers	\$20,598,000	\$598,000	\$598,000	\$0
Total Appropriations and Transfers from the Marijuana Tax Cash Fund	\$176,681,840	\$167,924,199	\$155,600,266	(\$12,323,933)