

Supplemental Materials

General Fund Overview

The General Fund Overview shown in Table 4 of the Colorado Economic and Fiscal Outlook highlights the available funding, expenditures, and end-of-year-reserves for the current fiscal year and subsequent years. Below is a detailed discussion of the information presented in Table 4 as reflected in the December 2021 forecast.

REVENUE

Lines 1-4 of the General Fund Overview detail the total funding available for spending in a given fiscal year. In addition to those tax revenues itemized in Table 3 of the forecast document, the General Fund receives transfers from other State funds.

Table 4 Line No.		FY 2020-21 Actual	FY 2021-22 Estimate	FY 2022-23 Estimate
1	Beginning Reserve	\$1,825.7	\$3,168.0	\$3,510.8
2	Gross General Fund Revenue	\$14,239.6	\$15,981.3	\$16,295.1
3	Transfers to the General Fund	\$335.3	\$43.1	\$42.0
4	Total General Funds Available	\$16,400.6	\$19,192.4	\$19,847.9
	<i>Dollar Change from Prior Year</i>	\$2,022.1	\$2,791.8	\$655.5
	<i>Percent Change from Prior Year</i>	14.1%	17.0%	3.4%

EXPENDITURES

Lines 5-18 of the General Fund overview details General Fund expenditures in a given fiscal year. By statute, General Fund expenditures, with certain exceptions discussed further below, cannot exceed 5 percent of aggregate personal income received by Coloradans. In FY 2021-22, General Fund appropriations subject to this limit are \$12.3 billion.

Table 4 Line No.		FY 2020-21 Actual	FY 2021-22 Estimate	FY 2022-23 Estimate
5	Appropriations Subject to Limit	\$10,978.9	\$12,281.9	\$13,314.4
6	Dollar Change from Prior Year	-\$826.2	\$1,303.0	\$1,032.5
7	Percent Change from Prior Year	-7.0%	11.9%	8.4%

The table on the next page itemizes those General Fund obligations that are not subject to the General Fund appropriations limit. A description of each line item is presented below the table.

Table 4 Line No.		FY 2020-21 Actual	FY 2021-22 Estimate	FY 2022-23 Estimate
8	Total Spending Outside Limit	\$2,271.4	\$3,543.4	\$4,499.8
	<i>Dollar Change from Prior Year</i>	\$1,362.9	\$1,271.9	\$956.4
	<i>Percent Change from Prior Year</i>	150.0%	56.0%	27.0%
9	TABOR Refund under Art. X, Section 20, (7) (d)	\$471.4	\$1,996.1	\$1,660.9
	Set Aside for Potential TABOR Refund under Art. X, Section 20, (3) (c)	\$0.0	\$0.0	\$0.0
10	<i>Homestead Exemption</i>	\$157.9	\$162.5	\$169.7
	<i>TABOR Refund Share of Homestead Exemption</i>	\$0.0	-\$162.5	-\$169.7
11	<i>Other Rebates and Expenditures</i>	\$137.9	\$121.9	\$124.1
	<i>Cigarette Rebate to Local Governments</i>	\$9.3	\$7.4	\$7.2
	<i>Marijuana Rebate to Local Governments</i>	\$29.0	\$26.7	\$27.9
	<i>Old-Age Pension Fund/Older Coloradans Fund</i>	\$86.9	\$74.9	\$75.8
	<i>Aged Property Tax & Heating Credit</i>	\$6.4	\$6.3	\$6.4
	<i>Interest Payments for School Loans</i>	\$1.3	\$1.4	\$1.5
	<i>Fire/Police Pensions</i>	\$4.3	\$4.4	\$4.4
	<i>Amendment 35 General Fund Expenditure</i>	\$0.8	\$0.8	\$0.8
	Total Rebates and Expenditures	\$295.8	\$284.5	\$293.8
12	Transfers to Capital Construction	\$43.0	\$353.0	\$411.6
13	Transfers to Transportation Funds	\$30.0	\$294.0	\$205.0
14	Transfers to State Education Fund	\$113.0	\$123.0	\$450.0
15	Transfers to Other Funds	\$1,318.3	\$492.7	\$1,478.5
18	Reversions and Accounting Adjustments	-\$17.8	\$0.0	\$0.0

Line 9: Spending not subject to the appropriations limit includes any TABOR refunds funded by the General Fund. These refunds occur when State revenue exceeds the fiscal year spending cap as defined in Article X, Section 20 (7) of the Colorado Constitution (“TABOR”) and Section 24-77-103.6, C.R.S. (“Referendum C”). If a TABOR refund is projected during the forecast period, this amount will be shown in line 9. Refunds are obligated in the fiscal year they are incurred, but are paid in the following fiscal year. According to the State Controller’s Office, TABOR revenue exceeded the cap by \$453.6 million in FY 2020-21, which will be refunded to taxpayers beginning in FY 2021-22. The additional \$17.8 million included in FY 2020-21 accounts for the difference between estimated refunds and actual refunds in previous fiscal years. Under the December forecast, TABOR refunds will be owed in each fiscal year through FY 2023-24. In FY 2021-22 and FY 2022-23, the December forecast projects TABOR refunds of \$1,996.1 million and \$1,660.9 million, respectively.

Line 10: The Homestead Property Tax Exemption, which reduces property-tax liabilities for qualifying seniors and disabled veterans, serves as the State’s first TABOR refund mechanism. The amount on Line 10 is the estimated Homestead Exemption expenditure reduced by the TABOR refund due in that fiscal year.

Line 11: “Rebates and Expenditures” account for a large portion of General Fund obligations not subject to the appropriations limit. The primary programs under rebates and expenditures are: (1) the Cigarette Rebate, which distributes money from a portion of State cigarette tax collections to local governments that do not impose their own taxes or fees on cigarettes; (2) the Marijuana Rebate, which distributes 10 percent of the retail marijuana sales tax to local governments based on the percentage of retail marijuana sales in local areas; (3) the Old-Age Pension program, which provides assistance to low-income elderly individuals who meet certain eligibility requirements; (4) the Aged Property Tax, Heat, and Rent Credit, which provides property tax, heating bill, and rent assistance to qualifying low-

income, disabled, or elderly individuals; and (5) the State’s financing costs for providing interest-free loans to school districts to help them with cash flow within the fiscal year.

Line 12: Transfers to capital construction in FY 2020-21 total \$43.0 million, which includes \$20 million from HB15-1344, \$3.0 million in accordance with HB20-1378, and \$20.0 million from SB21-112. FY 2021-22 transfers total \$353.0 million, comprised of \$20 million from HB15-1344, \$0.1 million from SB21-064, and \$328.8 million from SB21-224.

Line 13: Transfers to transportation funds in FY 2021-22 shows \$294.0 million as a result of S.B. 21-260 and S.B. 21-265. FY 2022-23 shows \$205.0 million with from S.B. 21-260 and the Governor’s budget request.

Line 14: HB 20-1420 transferred \$113 million to the State Education Fund in FY 2020-21 and \$23 million in FY 2021-22. The FY 2021-22 transfer also includes \$100 million from SB21-208, for a total of \$123.0 million. Finally, the FY 2022-23 includes \$450 million from the Governor’s November budget submission.

Line 15: State law requires transfers of General Fund to various state cash funds. Generally, the largest transfer relates to the special sales tax on retail marijuana, portions of which are transferred from the General Fund to the Marijuana Tax Cash Fund and to the Public School Fund. In addition, the line includes transfers to other funds according to the Governor’s November budget submission.

Line 18: This line includes any General Fund money not expended out of appropriations each fiscal year that was “reverted” back to the General Fund. It also includes various accounting adjustments made by the State Controller’s office each year. The -\$17.8 million currently accounted for in this line is not the total reversions and accounting adjustments, which have not yet been finalized, but rather an adjustment related to the difference between estimated TABOR refunds and actual TABOR refunds in previous fiscal years.

RESERVES

Lines 19-22 of the General Fund Overview highlight the year-end balance in the General Fund as well as the statutorily determined reserve requirement and any amount above or below this requirement. The ending balance is the difference between total funds available and total expenditures.

Table 4 Line No.		FY 2020-21 Actual	FY 2021-22 Estimate	FY 2022-23 Estimate
19	Year-End General Fund Balance	\$3,168.0	\$3,510.8	\$2,184.4
20	Balance as a % of Appropriations	28.86%	28.58%	16.41%
21	General Fund Statutory Reserve	\$314.0	\$1,645.8	\$1,997.2
22	Money Above/Below Statutory Reserve	\$2,854.0	\$1,865.0	\$187.2

The required reserve was reduced to 2.86 percent of appropriations for FY 2020-21 and FY 2021-22, before returning to 7.25 percent in FY 2022-23. The legislature has approved increasing this reserve amount to 13.4 percent in FY 2021-22 and 15.0 percent for each fiscal year after. If the ending balance is projected to be less than half of the required reserve, then the Governor is required to take budget-balancing actions.

State Education Fund Overview

Table 5 of the Colorado Outlook details revenue, expenditures, and fund-balance information for the State Education Fund and General Fund combined. The table includes impacts of the Governor’s November budget submission for FY 2022-23, notably the \$450 million transfer to the fund.

The table below summarizes revenue, expenditures, and the ending balance for the State Education Fund. The State Education Fund plays an important role in the State’s General Fund budget. Under the state constitution, K-12 education spending must grow at the rate of student population growth plus inflation. Changes in expenditures from the State Education Fund affect General Fund appropriations, which must shift accordingly to meet the targeted level of school funding.

State Education Fund (\$ in Millions)	FY 2020-21 Actual	FY 2021-22 Estimate	FY 2022-23 Estimate
Beginning Balance	\$166.7	\$629.2	\$753.7
<i>One-third of 1% of State Taxable Income</i>	<i>\$950.2</i>	<i>\$798.3</i>	<i>\$882.8</i>
<i>Transfers to SEF</i>	<i>\$113.0</i>	<i>\$123.0</i>	<i>\$450.0</i>
<i>Other</i>	<i>\$10.6</i>	<i>\$9.2</i>	<i>\$13.3</i>
Total Funds to State Education Fund	\$1,073.8	\$930.5	\$1,346.1
State Education Fund Expenditures	\$651.9	\$936.1	\$1,375.8
Year-end Balance	\$629.2	\$753.7	\$841.6