

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 June 2025 forecast, which includes current law through the 2025 Colorado legislative session. For further detail and overview of the budget, please refer to the Budget Outlook section of the Office of State Planning and Budgeting (OSPB) June 2025 Economic 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 2023-24 Actual	FY 2024-25 Estimate	FY 2025-26 Estimate	FY 2026-27 Estimate
1	Beginning Reserve	\$2,427.4	\$3,153.5	\$2,334.0	\$2,398.6
2	Gross General Fund Revenue	\$17,251.4	\$17,113.9	\$17,797.0	\$18,374.2
3	Transfers to the General Fund	\$93.3	\$517.2	\$112.9	\$28.0
4	Total General Fund Available	\$19,772.2	\$20,784.7	\$20,244.0	\$20,800.7

EXPENDITURES

Lines 5-20 of the General Fund overview detail 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 2024-25, estimated General Fund appropriations subject to this limit are \$15.6 billion. Line 6 reflects Healthy School Meals for All (HSMA) General Fund Appropriations, prior to the creation of the HSMA Cash Fund. Line 7 reflects any overexpenditures which are not subject to the limit.

Table 4 Line No.		FY 2023-24 Actual	FY 2024-25 Estimate	FY 2025-26 Estimate	FY 2026-27 Estimate
5	Appropriation Subject to Limit	\$13,818.6	\$15,621.8	\$16,538.1	\$16,886.4
6	Healthy School Meals for All GF Approp	\$115.3	\$0.0	\$0.0	\$0.0
7	Overexpenditures from the General Fund	\$153.8	\$0.0	\$0.0	\$0.0

The next table 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 2023- 24 Actual	FY 2024-25 Estimate	FY 2025-26 Estimate	FY 2026-27 Estimate
10	Total Spending Outside Limit	\$2,785.6	\$2,814.1	\$1,807.4	\$1,422.7
11	TABOR Refund under Art. X, Section 20, (7) (d)	\$1,643.4	\$224.0	\$289.0	\$536.4
12	Homestead Exemption (including Portability)	\$161.2	\$173.2	\$217.5	\$233.0
	TABOR Refund Portion of Homestead Exemption	-\$161.2	-\$173.2	-\$217.5	-\$233.0
13	Other Rebates and Expenditures	\$241.9	\$186.0	\$843.5	\$343.7
14	Transfers for Capital Construction	\$351.4	\$254.1	\$170.5	\$20.0
15	Transfers for Transportation	\$5.0	\$117.5	\$42.7	\$61.0
16	Transfers to State Education Fund	\$0.0	\$146.0	\$0.0	\$0.0
17	Transfers to Other Funds	\$543.9	\$1,886.5	\$461.6	\$461.6
18	TOTAL GENERAL FUND OBLIGATIONS	\$16,873.3	\$18,435.9	\$18,345.4	\$18,309.0
20	Reversions and Accounting Adjustments	-\$254.7	\$14.7	\$0.0	\$0.0

Line 10: 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”). TABOR refunds are projected throughout the forecast period and are 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 and audit findings, TABOR revenue exceeded the cap by \$1.35 billion in FY 2023-24. In addition, there are \$288.9 million in additional refunds still to go out from prior year surpluses as well as the correction for the Health Insurance Affordability Enterprise audit finding, for a total of \$1.64 billion. Under the June forecast, TABOR refunds will be owed in each fiscal year through FY 2026-27. The June forecast, after including all legislation from the 2025 Colorado legislative session, projects TABOR refunds to decline in FY 2024-25 to \$224.0 million, \$289.0 million in FY 2025-26, and \$536.4 million in FY 2026-27. Note that the ongoing federal reconciliation bill, H.R. 1, is not incorporated into this forecast as it is not current law.

Line 12: 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 12 is the estimated Homestead Exemption expenditure, including portability, which is then reduced in the line below by the TABOR refund due in that fiscal year. For each of fiscal year FY 2023-24 through FY 2026-27, the Homestead Property Tax Exemption is covered by the TABOR refund. Additionally, note that S.B. 24-111 creates an additional portable homestead exemption, captured in Table 9 of the June 2024 OSPB Forecast and covered by the TABOR refund exemption. However, portability for the homestead exemption will expire in tax year 2026, meaning that FY 2027-28 costs are expected to drop from FY 2026-27 levels.

Line 13: “Rebates and Expenditures” account for a large portion of General Fund obligations not subject to the appropriations limit. Primary programs under rebates and expenditures include: (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, however these funds are now treated as exempt per H.B. 24-1469; (2) the Marijuana Rebate, which has historically distributed 10

percent of the retail marijuana sales tax to local governments based on the percentage of retail marijuana sales in local areas, but was updated to 3.5 percent this legislative session beginning in FY 2025-26; (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; (5) the State's financing costs for providing interest-free loans to school districts to help them with cash flow within the fiscal year; (6) a warrant to backfill local governments from additional property tax cuts in S.B. 23B-001; (7) Fire and Police Pensions; (8) Amendment 35 General Fund expenditures to CDPHE and HCPF from a portion of cigarette collections; and (9) Property Tax Exemption Reimbursement to local governments as a result of additional business personal property tax exemptions in H.B. 21-1312. Additionally, the legislature now considers the PERA Direct Distribution as not subject to the limit, and is therefore included here, while SB25-310 created a new, one-time \$500 million warrant in FY 2025-26.

Line 14: FY 2024-25 transfers include legislation through the 2025 session, totaling \$254.1 million. FY 2025-26 transfers to capital construction are lower than the previous year at \$170.5 million. In FY 2026-27, there is currently only a \$20 million ongoing transfer for H.B. 15-1344 Fund National Western Center and Capital Projects.

Line 15: Per statute, transfers for the forecast years are \$5.0 million in FY 2023-24 and \$117.5 million beginning in FY 2024-25. Prior to this legislative session, those \$117.5 million transfers, with \$10.5 million goes to the Multimodal Options Fund, \$7.0 million goes to the State Highway Fund for the Revitalizing Main Streets Program, and \$100 million to the State Highway Fund, were expected to continue until FY 2028-29. However, SB21-260 statute was revised by SB25-257, reducing those \$117.5 million in transfers down to \$42.7 and \$61.0 million in FY 2025-26 and FY 2026-27 respectively. The timeline of the transfers extend out further now to ensure the full funding intended in SB21-260 remains intact, though on a different timeline.

Line 16: Transfers to the State Education Fund (SEF) total \$146.0 million in FY 2024-25 exists as a result of S.B. 23b-001. There are currently no other General Fund transfers into the SEF within statute for this time horizon. Note, however, that there is a new diversion of General Fund into the Kids Matter Account within the SEF, but that is not tracked on this line, but rather in Tables 3 and 6 in the Appendix.

Line 17: State law requires transfers of General Fund to various state cash funds. Generally, the largest transfer relates to Proposition EE and the 2020 Tax Holding Fund where further transfers occur to various other funds as a result of H.B. 20-1427. Another substantial transfer is 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. Note that the Bioscience Transfer includes the full amount based on the forecasted withholdings amounts, but reductions to those transfers offsetting approximately half of the anticipated amount is captured in SB25-264's transfers into the GF, from line 3.

Line 20: 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. For FY 2024-25, the amounts are a combination of an adjustment to the Healthy School Meals for all transfer into the General Fund combined with SB25-243 impacts.

RESERVES

Lines 21-27 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		FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Line No.		Actual	Estimate	Estimate	Estimate
21	Year-End General Fund Balance	\$3,153.5	\$2,334.0	\$2,398.6	\$2,491.7
22	Portion of the GF Reserve Held at Treasury	\$3,153.5	\$2,334.0	\$1,898.6	\$1,991.7
23	Portion of the GF Reserve Held at PERA	\$0.0	\$0.0	\$500.0	\$500.0
24	Year-End General Fund as a % of Appropriations	23.1%	14.9%	14.5%	14.8%
25	General Fund Statutory Reserve	\$2,031.5	\$2,358.5	\$2,439.5	\$2,491.7
26	Statutory Reserve %	14.9%	15.1%	14.8%	14.8%
27	Above/Below Statutory Reserve	\$1,122.0	-\$24.5	-\$40.9	\$0.0

The required reserve was increased to 15.0 percent in FY 2022-23. For FY 2024-25 through FY 2026-27, the statutory GF reserve is adjusted slightly by H.B. 24-1231 and H.B. 24-1466. In Fiscal Year 2023-24, the year-end General Fund as a percentage of appropriations was elevated because of swapping GF for ARPA dollars as required by H.B. 24-1466, Refinance Federal Coronavirus Recovery Funds. Note that 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. Note that SB25-310 requires that \$500 million of the statutory reserve be held within the Public Employees' Retirement Association (PERA), while the rest is held at Treasury.

State Education Fund Overview

Table 5 of the Colorado Outlook details revenue, expenditures, and fund balance information for the State Education Fund (SEF) and General Fund combined.

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, base 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. Recent legislation will place additional pressure on the fund, and the fund projections throughout the forecast period described in this section take into account all SEF appropriations and legislative changes enacted in the 2024 legislative sessions, including bills with the highest fiscal impact, which include HB24-1448 New Public School Finance Formula, SB24-233 Property Tax, and HB24B-1001 Property Tax. All 2025 regular legislative session changes are also incorporated, including HB25-1320, which created the Kids Matter Account within the SEF. This account receives a diversion of 65 percent of one-tenth of one percent of federal taxable income beginning in FY 2026-27.

State Education Fund (\$ in Millions)	FY 2023-24 Actual	FY 2024-25 Estimate	FY 2025-26 Estimate	FY 2026-27 Estimate
Beginning Balance	\$1,454.1	\$1,674.1	\$1,126.2	\$733.4
<i>Amendment 23 Diversion</i>	\$1,209.0	\$1,108.5	\$1,156.6	\$1,207.5
<i>Kids Matter Account</i>	\$0.0	\$0.0	\$0.0	\$235.7
<i>Transfers to SEF</i>	\$0.0	\$146.0	\$0.0	\$0.0
<i>Other</i>	\$42.3	\$38.2	\$26.0	\$23.0
Total Funds to State Education Fund	\$1,251.3	\$1,292.7	\$1,182.6	\$1,466.2
State Education Fund Expenditures	\$1,057.1	\$1,840.7	\$1,575.5	\$1,771.8
Year-end Balance	\$1,674.1	\$1,126.2	\$733.4	\$427.7