
Fueling the Colorado Comeback: **Colorado's Budget Overview**

— March 26, 2022 —

The Colorado Comeback - Part ONE

In order to recover faster and build back stronger, lawmakers developed a bipartisan state stimulus package to foster the Colorado Comeback, make monumental investments to strengthen small businesses, support Colorado families, invest in rural Colorado, and develop our workforce. Specifically, lawmakers passed bills to:

- Create a \$30 million startup loan fund for businesses across the state;
- Provide \$15 million in grants to small businesses;
- Invest more than \$100 million in affordable housing incentives, rental assistance
- Dedicate \$100 million to wildfire mitigation, preparedness and response;
- Invest \$22 million to support artists and arts and-culture organizations;
- Provide more than \$100 million to increase child care capacity and affordability;
- Create a \$30 million loan and grant program for Colorado's agricultural sector;
- Add \$8 million to rural economic development programs; and
- Allocate \$75 million in for upskilling and reskilling our state's workforce.

2021 Legislative Highlights

The Colorado Comeback - Part TWO

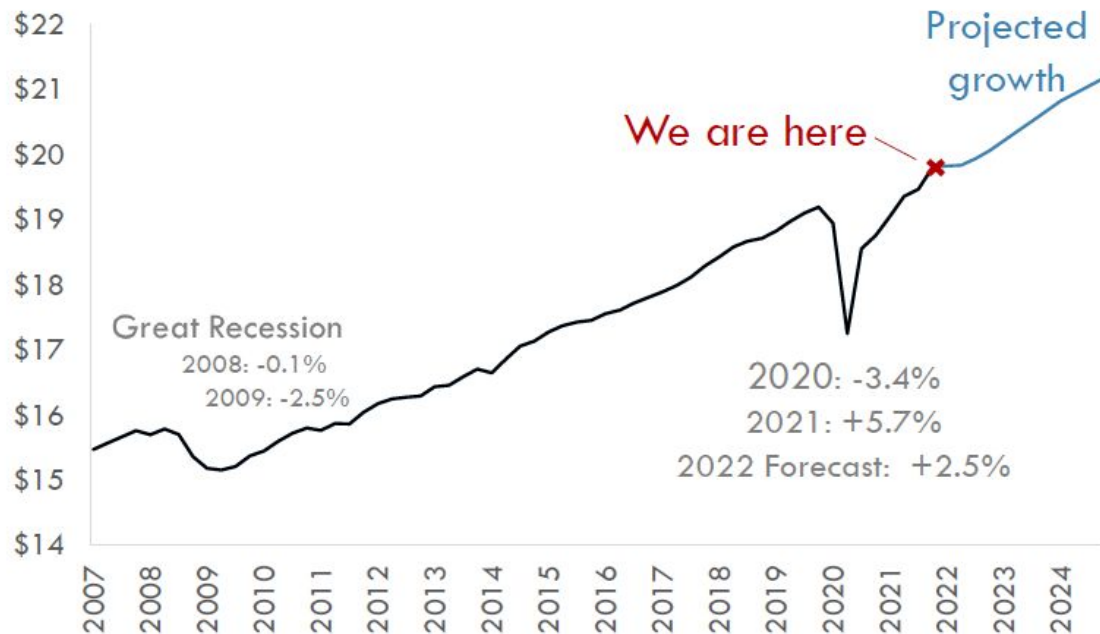
This year, the legislature is investing American Rescue Plan Act (ARPA) and state general fund dollars in Colorado's priorities:

- Affordable Housing
- Behavioral and Mental Health
- Workforce
- Economic Recovery and Relief Efforts
 - Services and Programs for low-income families
 - Childcare
 - Education
 - Water, Wildfire
 - and more!

2022 Legislative Highlights

The economy continues to recover, near-term risks are elevated

Real U.S. Gross Domestic Product
Dollars in Trillions



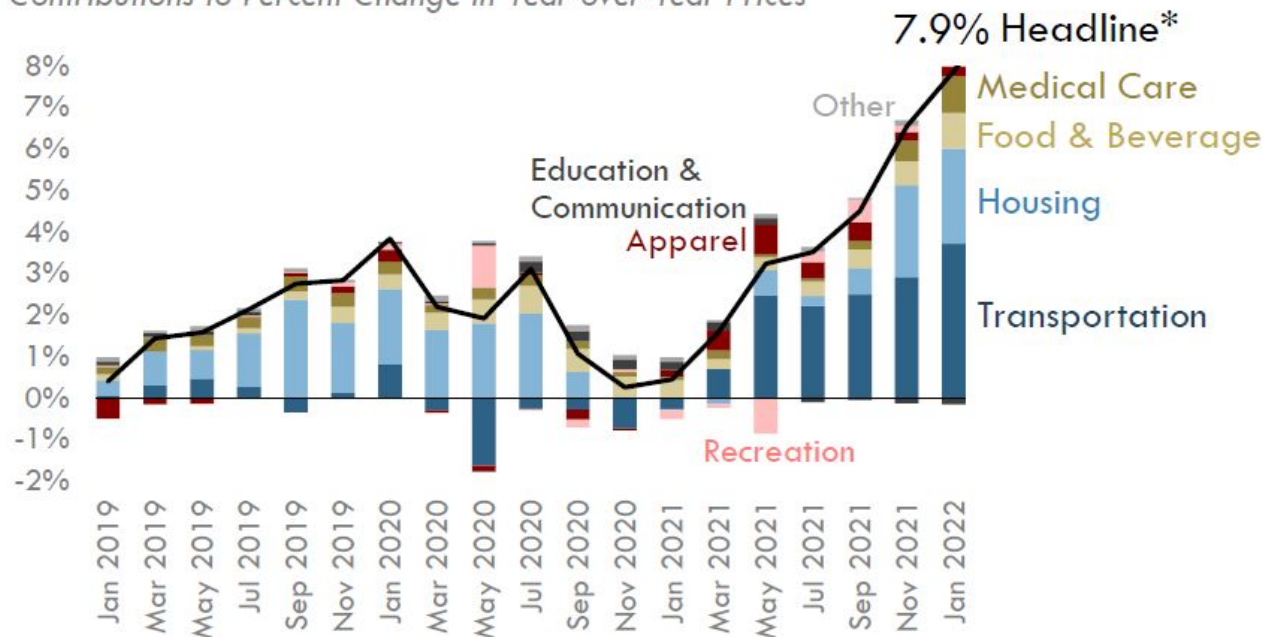
Source: U.S. Bureau of Economic Analysis and Legislative Council Staff March 2022 projections.

Real GDP is inflation-adjusted to chained 2012 levels and shown at seasonally adjusted annualized rates.

Inflation also on the rise in Colorado, projected to average 7.0 percent in 2022 and 3.8 percent in 2023

Denver-Aurora-Lakewood Consumer Price Index (CPI-U)

Contributions to Percent Change in Year-over-Year Prices



Source: U.S. Bureau of Labor Statistics.

Inflation is calculated as the growth in urban area prices in a given period relative to the same period in the prior year.

Slower General Fund revenue growth expected: Strong wage gains offset by inflation eroding business profits, shifts from goods to services, weaker capital gains, higher interest rates

Gross General Fund Revenue

Billions of Dollars

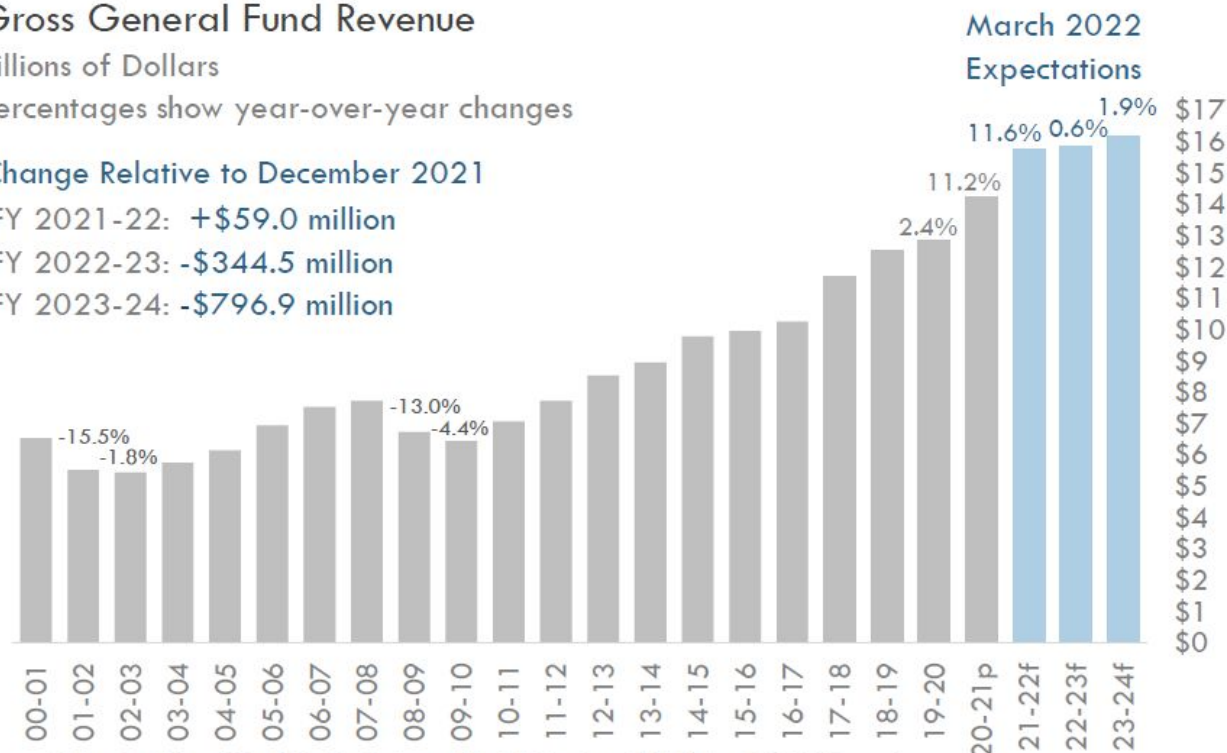
Percentages show year-over-year changes

Change Relative to December 2021

FY 2021-22: +\$59.0 million

FY 2022-23: -\$344.5 million

FY 2023-24: -\$796.9 million



Source: Colorado Office of the State Controller and Legislative Council Staff March 2022 forecast.

TABOR Outlook

Revenue Subject to TABOR

Dollars in Billions

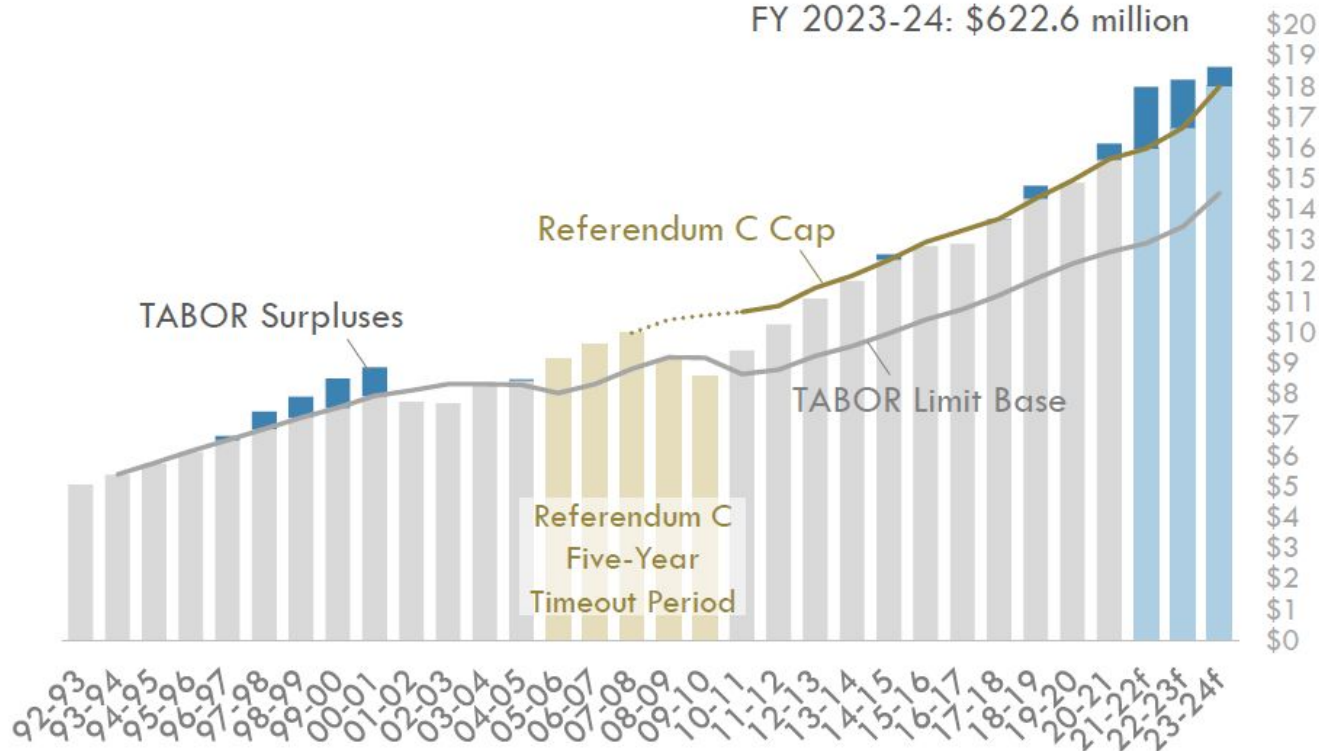
Revenue Above the Ref C Cap

FY 2020-21: \$525.5 million

FY 2021-22: \$2.0 billion

FY 2022-23: \$1.6 billion

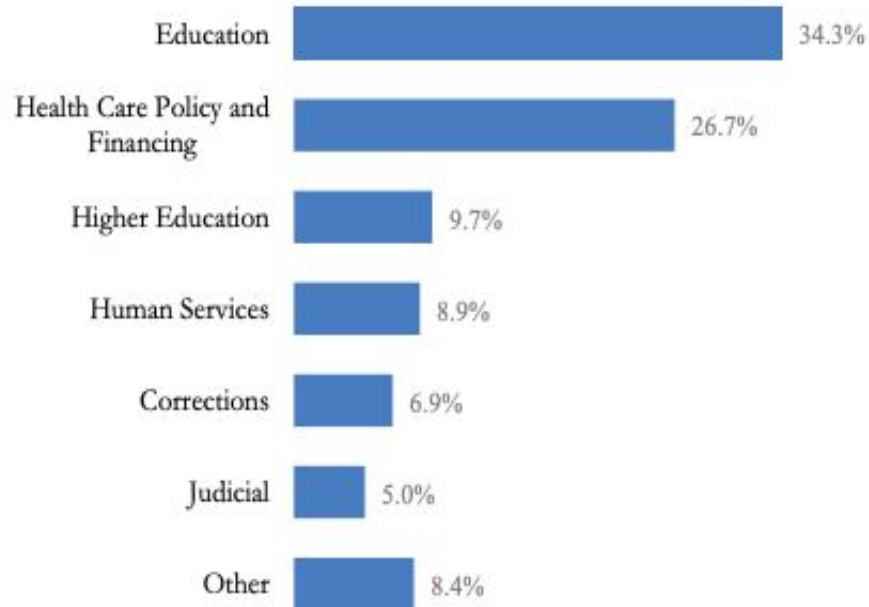
FY 2023-24: \$622.6 million



Source: Colorado Office of the State Controller and Legislative Council Staff March 2022 forecast.

Where does the money go? The BIG SIX Departments

Distribution of General Fund by Department



2023 Budget Proposal Highlights:

Fiscal Responsibility

- 15% (\$1.9B) General Fund reserve
- “Prepays” for state programs and services in future years when we are projected to have a deficit

State Employee Labor Agreement

- **3% ATB pay increase** for each of next 3 years and \$15 min. wage

Education & Workforce

- *Increased funding for public schools, buying down the budget stabilization factor by \$250M and adding \$80M to special education*
- *Invests \$129M (11.4%) more funding in colleges and universities*

\$700M Set Aside for Saving People Money and Investing in Healthy, Safe Communities:

- **Relief for Individuals, Families & Businesses**
- **Public Safety Initiatives**
- **Air Quality Improvements**
- **Workforce Development**
- **Fee Relief**

PLUS,...more funding for Family Resource Centers, Community Providers, Nursing Facilities, School Nurse Grant Program, Youth Services, Higher Ed Capital and IT Capital projects and so much more!

Thank you!

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