



The Colorado Budget Then and Now

November 2024 Annual Release

Eighth Annual Release: The Colorado Budget Then and Now

Colorado Budget Then and Now illuminates the changes in Colorado state budget appropriations over the last twenty years.

The following figures provide an overview of revenue allocated to state departments through the legislative budgeting process. The trends in appropriations reflect the shifting priorities brought on as a direct result of the laws and budgets passed each legislative session.



Common Sense Institute (CSI) is a non-profit free-enterprise think tank dedicated to the protection and promotion of Colorado's economy.

We believe sound fiscal and economic research is essential to uphold Colorado's economic vitality, future, and individual opportunity.

Methodology

The findings of this report are generated from the annual appropriations reports compiled by the Colorado Joint Budget Committee Staff. These reports draw from the state's budget packages, which are drafted by the Governor's office then revised and approved during each year's legislative session. They include appropriations to each of the state government's departments from all funds including the General Fund, Cash Funds, Federal Funds, Reappropriated Funds, and Capital Construction Funds. The report considers appropriations in FY 2023 final because the fiscal year during which they were allocated has ended. FY 2024 appropriations are considered initial because they reflect amounts authorized by the legislature that may change over course of the fiscal year. FY 2025 appropriations are from the Governor's proposal and have yet to be reviewed by the state legislature.

General Funds: General-purpose revenue is deposited into the General Fund and used for the state's core programs, such as education, health care, human services, corrections, and general government (*e.g.*, the legislature and Governor's office). General Fund revenue is the only major state revenue source available to fund capital construction projects which is further appropriated from the GF.

Cash Funds are special-purpose funds that exist outside of the General Fund. They are funded by taxes, user fees, and fines earmarked for specific purposes and programs. Other large categories of cash fund revenue include revenue to TABOR enterprises, employee pension contributions and interest income, voter-approved revenue, property sales, damage awards, and gifts.

Federal Funds are moneys received from the federal government to support specific purposes and programs. For some programs, such as Medicaid, state funding is matched with federal funding.

Reappropriated Funds are transfers of money between departments apart from initial appropriations. To avoid double-counting, reappropriated funds are not included in this report's all-agency totals. Individual departments' totals include reappropriated funds so as to best represent the relative size of each department. Capital Construction Funds are excluded from totals specified as "operating appropriations."

Fund transfers and other obligations are not included in totals except where noted.

Key Findings

- **Government spending has outpaced inflation and population growth in recent years** - adjusted for inflation, total state government appropriations per Coloradan increased by **35% from FY05 to FY25, growing from \$5,140 to \$6,924. In FY26 alone it will increase by 8.9% or \$617 per Coloradan.**
- **Health care has dominated budget growth in recent years while education's share has declined** -
 - In the Governor's FY26 budget request, **growth in the Department of Health Care Policy and Financing (HCPF) funding accounts for 98% of the total net increase in all appropriations.** It accounts for 36% of GF growth.
 - In the last 20 years,(FY05-FY25) the HCPF budget increased by 429% from \$3 billion to \$15.9 billion and its share of the total budget rose from 22% to 37%. **HCPF accounted for 43% of all new spending between FY24 and FY25.**
 - **Over this same time, education funding increased 128%, while its share of the budget fell from 25% to 18%.**
- Revenue subject to TABOR available to spend or save accounts for 46% of all spending. It is projected to grow by 3.3% annually, or from \$18B to \$20.6B, from FY24 to FY27. **At the same time there is \$3.2B in projected TABOR surplus revenue available for refunds.**
 - **During the 2024 legislative session projected TABOR refunds were reduced by over \$3B.**

Annual Appropriations How Much Money Does the Colorado State Government Appropriate?

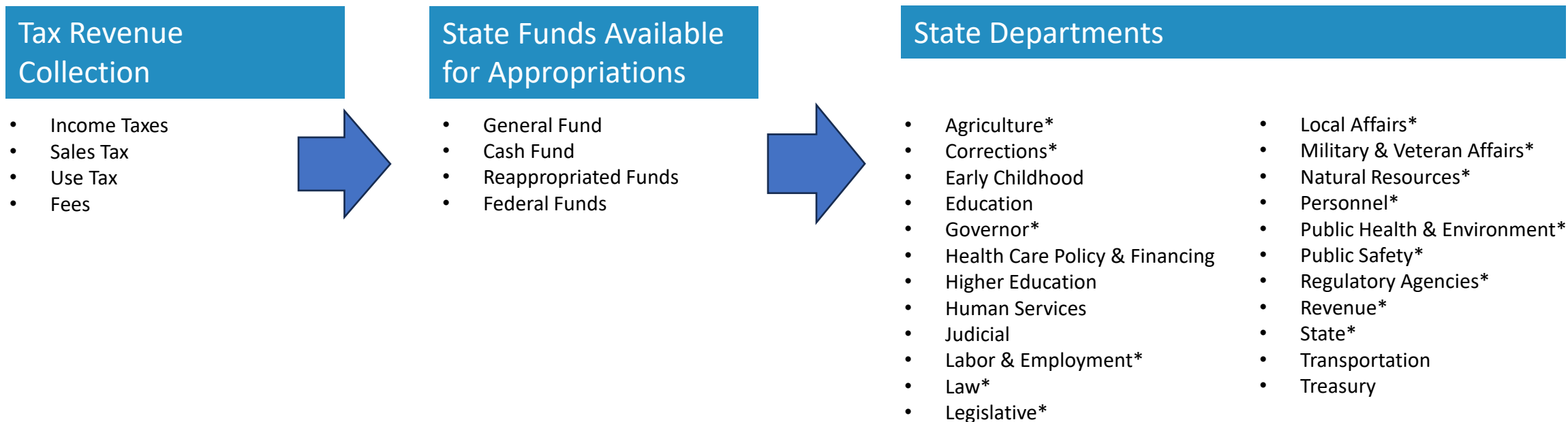


Fiscal Year 2025 Appropriations
\$41,371,296,706

Each year, the state legislature approves a budget that dictates how public tax revenue will be allocated to the different government departments. The current budget cycle, fiscal year 2025, runs from July 1, 2024, through June 31, 2025. As of November 2024, the total initial appropriation for FY 2025, inclusive of operating appropriations minus reappropriations plus capital construction appropriations, is \$41,371,296,706.

State Government Appropriations

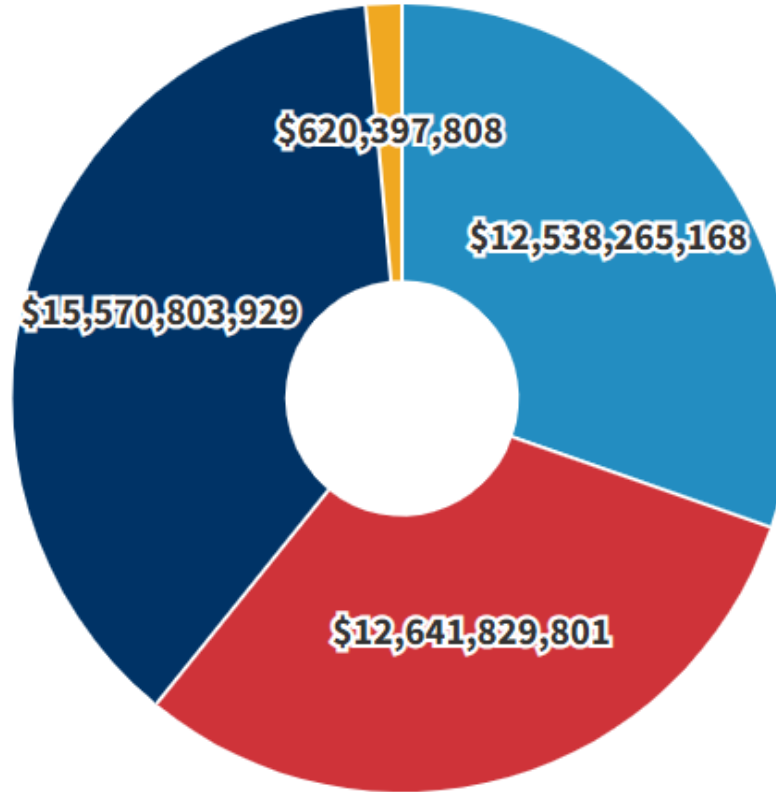
Flow of Tax Revenue from the Taxable Source to State Departments



The image above illustrates the flow of state appropriations from tax revenue sources to the state departments that the legislature authorizes to spend state revenue. There are many different state agencies within each department, but, for the purpose of this report, appropriations are only shown by fund types or departments. **For formatting purposes, state department labeled with asterisks are combined in several of the following figures into a single category called "Other Departments."** Combined, these other departments represent about 14% of total appropriations.

Colorado Total Appropriations by Fund Type in FY25

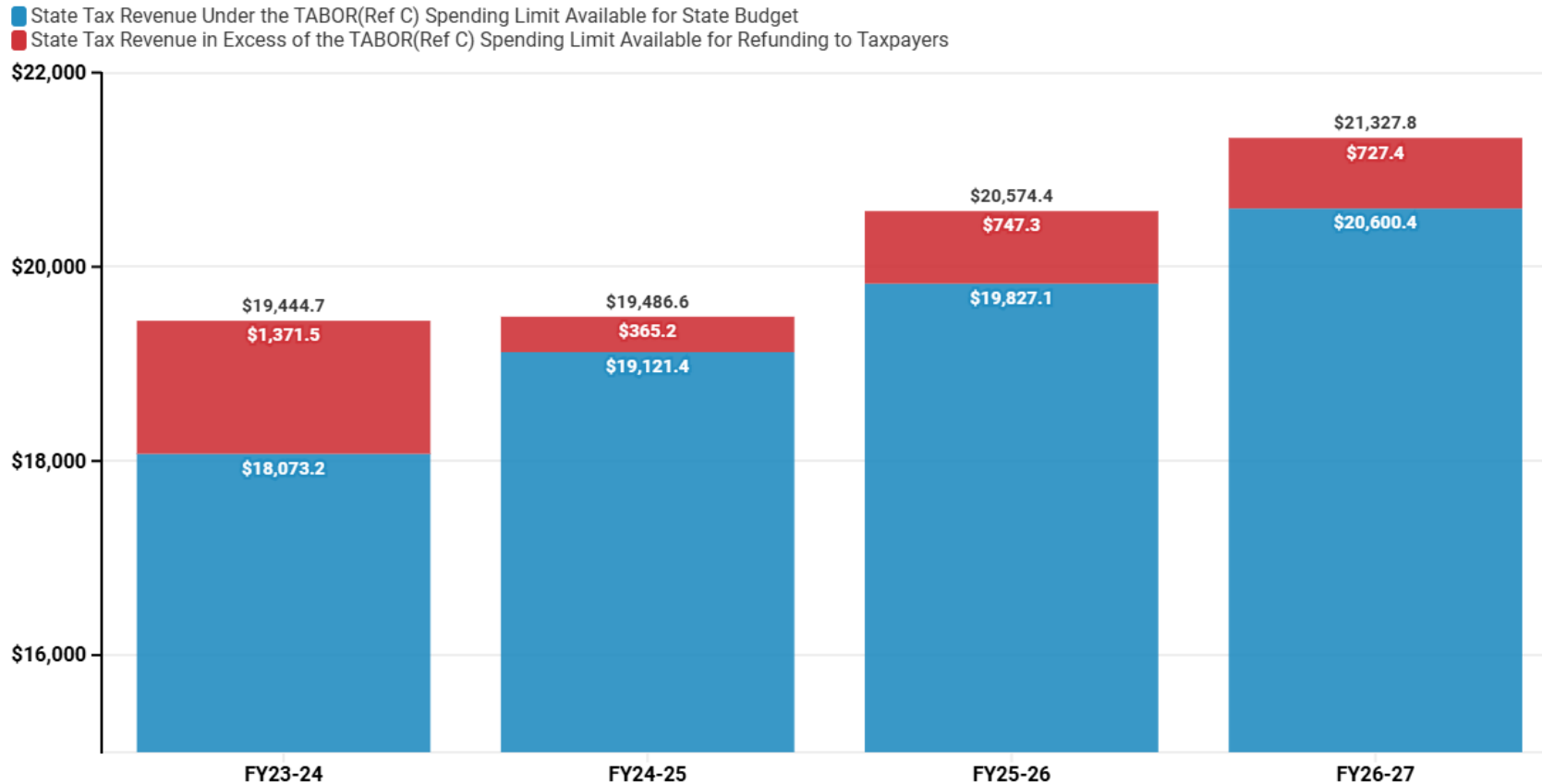
Federal Funds Cash Funds General Funds Capital Construction Funds



Source: [Colorado JBC Annual Appropriations Reports](#) - Author: Common Sense Institute

Total appropriations in FY25 is \$41,371,296,706. General fund appropriations are 37.6%, federal funds constitute 30.3%, cash funds constitute 30.6%, and capital construction funds make up 1.5% of the total appropriations in FY25.

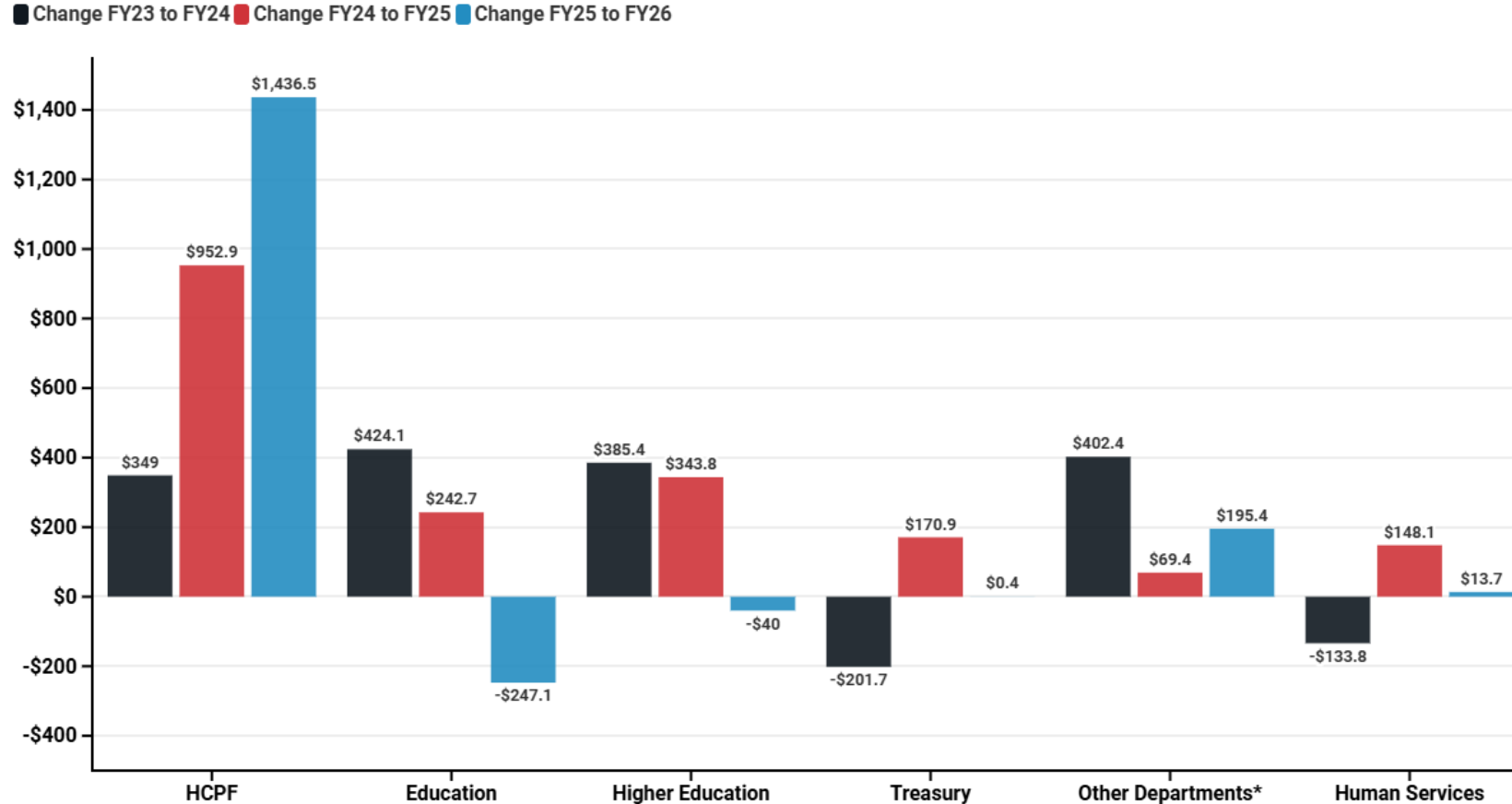
Colorado Revenue Above and Below the TABOR Cap - FY24-FY27 – Units in Millions



Source: September 2024 Legislative Council Economic Forecast

Coloradans are projected to receive TABOR refunds of varying sizes in all four fiscal years currently captured in the most recent Sept. 2024 Legislative Council Forecast. Over the four budgets from FY24 to FY27, there is an estimated \$3,211,400,000 in TABOR surplus available for refunds. While at the same time revenue subject to TABOR available to be spent by the state is projected to grow from \$18,073 B to \$20,600 B, or by 3.3% per year on average, in line with inflation and population growth rates.

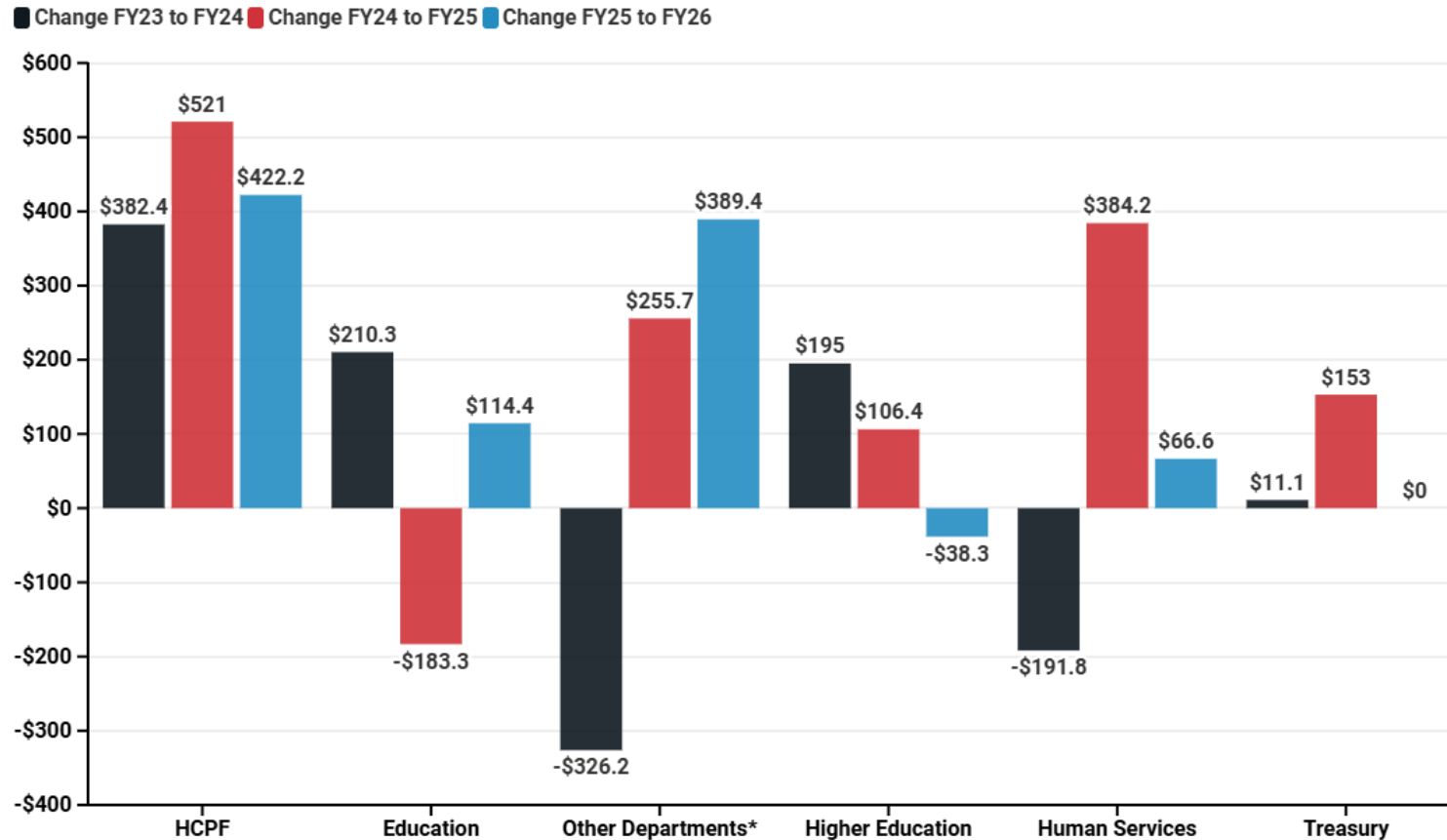
Annual Change in Operating Appropriations by Department From FY23 to the FY26 Governor's Budget Proposal – Units in Millions



Source: Colorado JBC Annual Appropriations Report Note: Data omit capital construction

Total operating appropriations was \$41.35 billion in FY24 and \$43.59 billion (including reappropriations) in FY25. Current estimates suggest a net \$1.46 billion increase from FY25 to FY26. Between FY23 and FY26, the Department of Health Care Policy and Financing (HCPF) received \$63 billion (37%) of the total \$169.7 billion of departmental funding awarded by the state. Between FY23 & FY26, the HCPF budget will grow by 18.7% whereas the Department of Education's budget will have grow by just 5.9%.

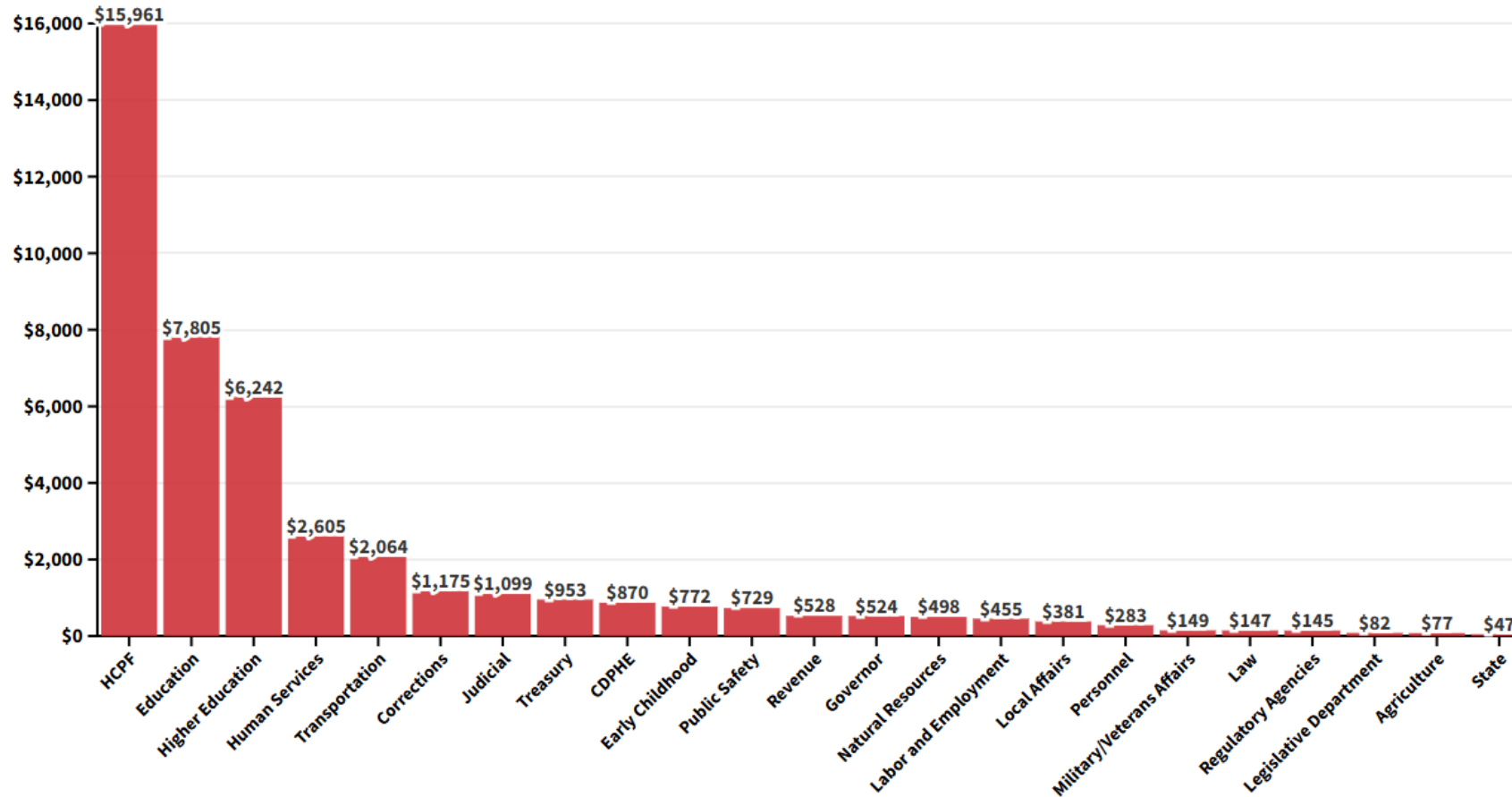
Annual Change in General Fund Appropriations by Department From FY23 to the FY26 Governor's Budget Proposal – Units in Millions



Source: Colorado JBC Annual Appropriations Report Note: Data omit capital construction

From FY23 to FY26, the General Fund total operating appropriations grew by 20.4% from \$13.9 billion to \$16.7 billion. The Governor's FY26 budget request accounted for \$1.16 billion or 7.5 percentage points of this increase. HCPF will receive an additional \$422 million from the FY26 proposed budget, which is the largest departmental share of this increase (equal to 36.3% of its total).

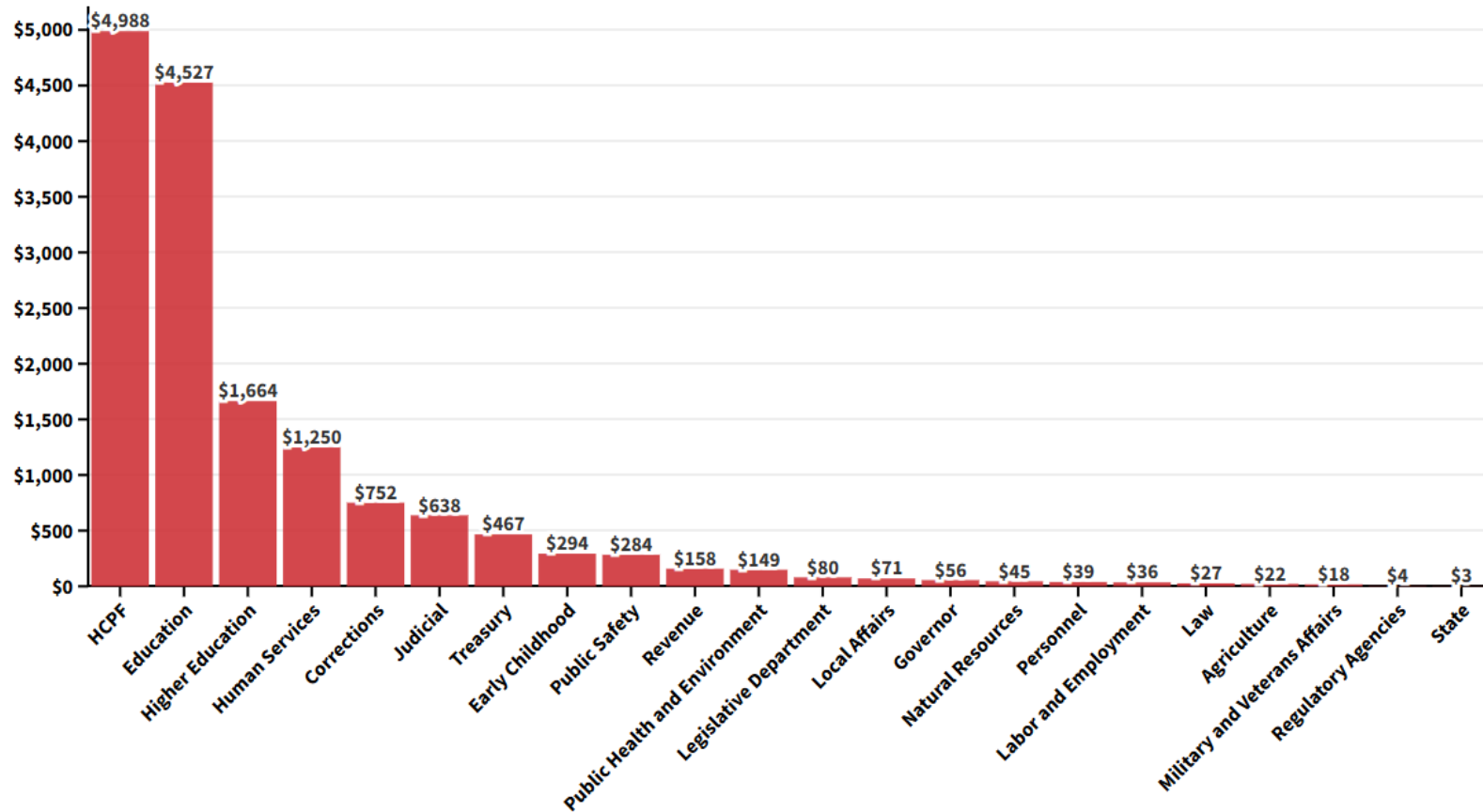
Total Appropriation to Each Department in FY25 – Units in Millions



Source: Colorado JBC Annual Appropriations Report

The top five departments, HCPF, Education, Higher Education, Human Services, and Transportation, were appropriated 79.5% of the total budget in FY25. Eight departments, including Military & Veteran Affairs and Agriculture, each received less than 1% each of the total appropriation. Under the Governor's FY26 budget request, these top five departments would receive about 79.8% of the total appropriation.

General Fund Appropriation to Each Department in FY25 – Units in Millions

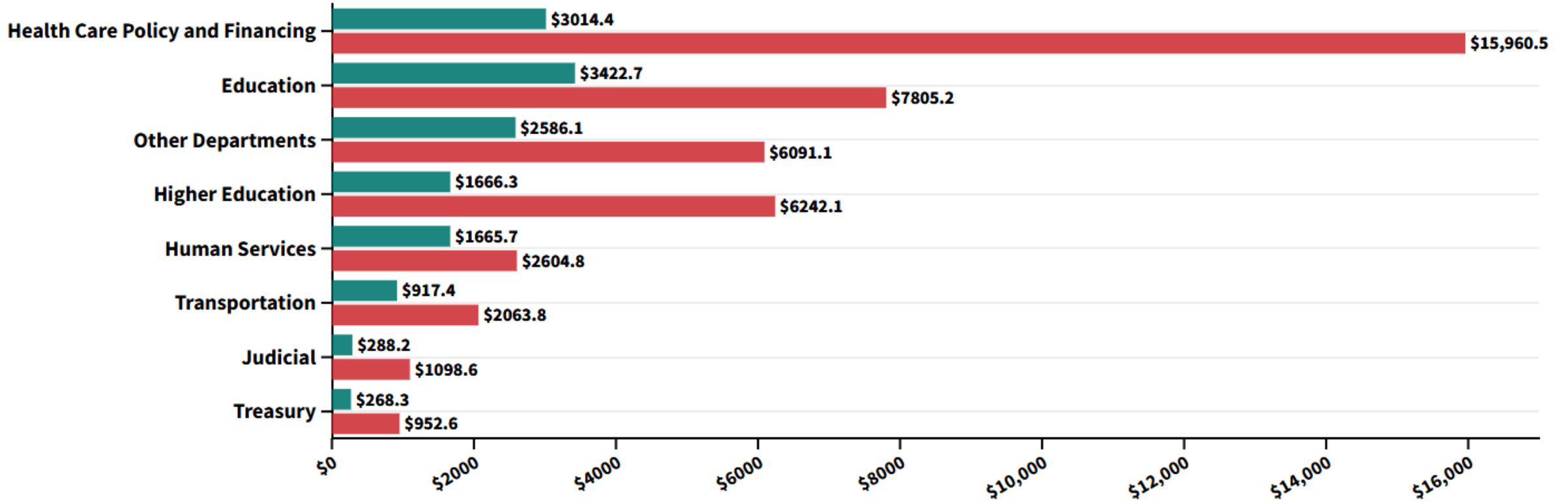


Source: Colorado JBC Annual Appropriations Report

The departments of HCPF, Education, Higher Education, Corrections, and Human Services together received 84.7% of General Fund appropriations in FY25. Money is often transferred from the General Fund to the Highway Trust Fund to be used for transportation projects, but such transfers are not counted as appropriations.

Total Appropriations by Department in FY05 and FY25 – Units in Millions

FY05 FY25

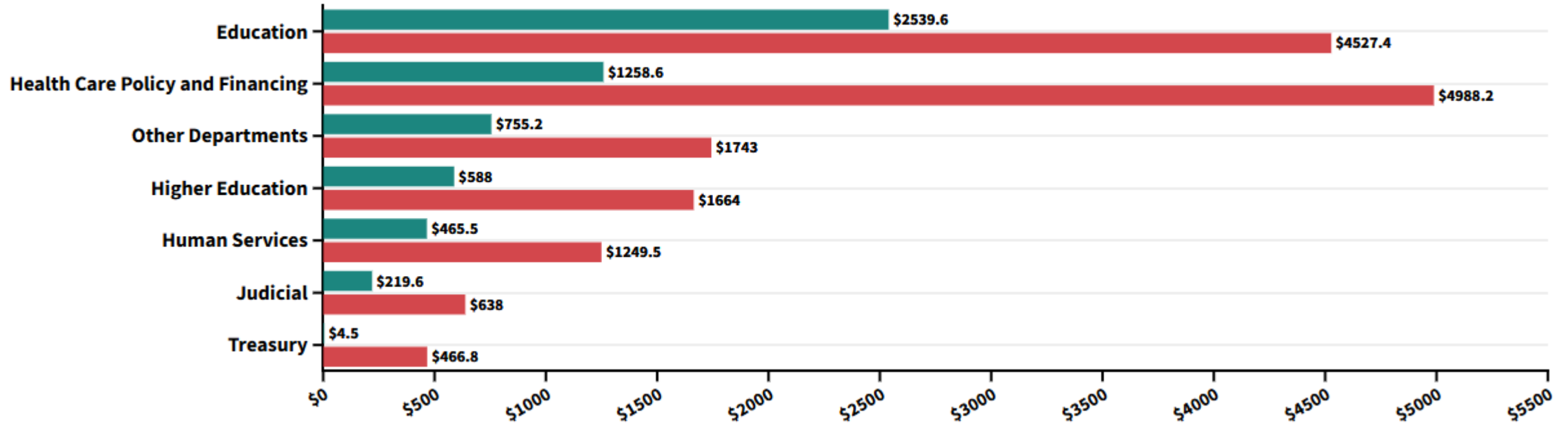


Source: Colorado JBC Annual Appropriations Report

In the last 20 years, the Department of Health Care Policy and Financing total appropriations has increased 430% from \$3 billion to nearly \$16 billion. The next-two largest departments, Education and Higher Education, have seen their appropriations rise 128% and 275% respectively over this time.

General Fund Appropriations by Department in FY05 and FY25 – Units in Millions

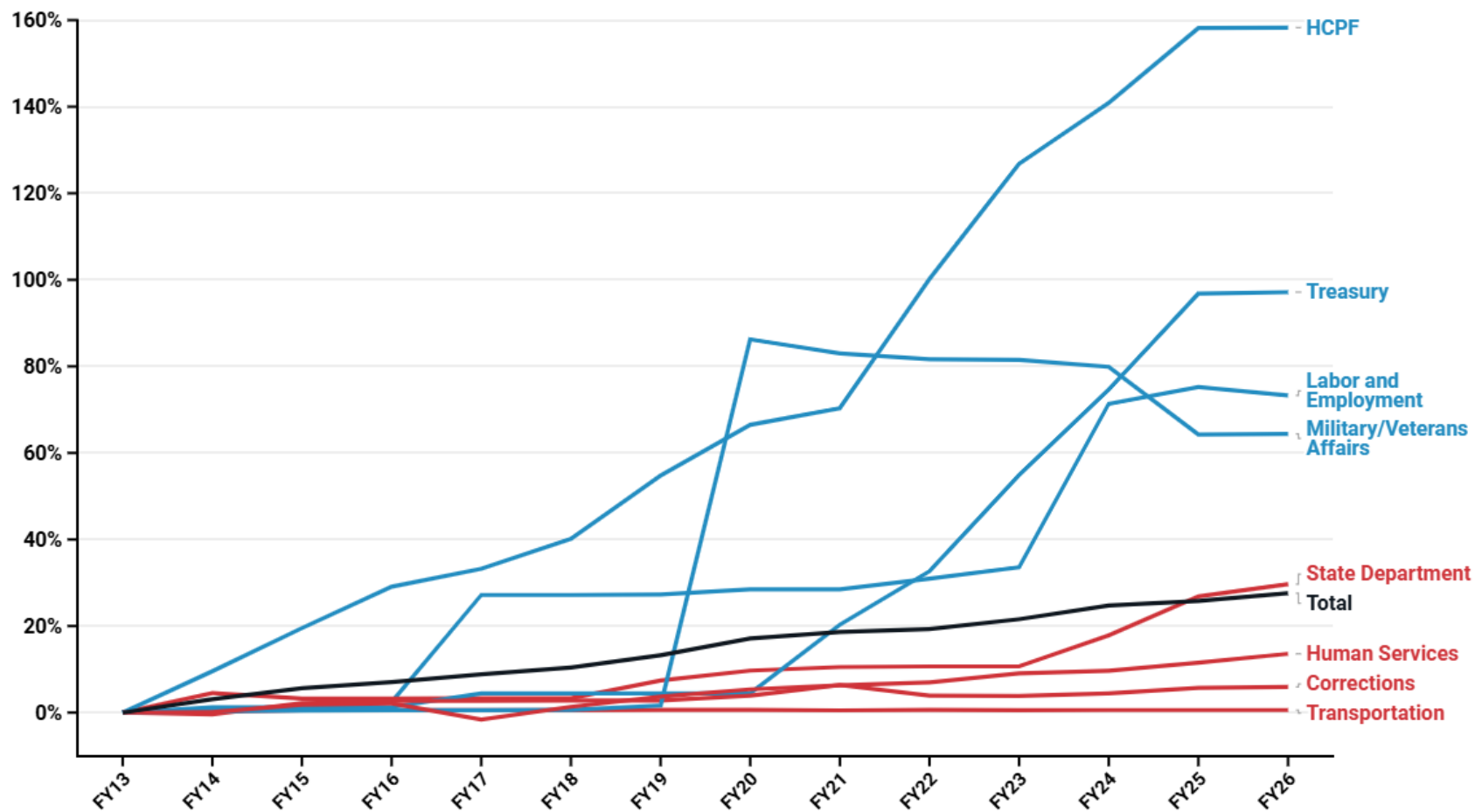
FY05 FY25



Source: Colorado JBC Annual Appropriations Report

Although General Fund appropriations increased for all departments between FY05 and FY25, some department shares of the total budget decreased even while their appropriations increased. The General Fund appropriations to the Department of Education and HCPF grew by 78% and 296% between FY05 and FY25, respectively. Because of this disparity, HCPF's share of General Fund appropriations grew from 22% to 32% while Education shrank from 43% to 29%.

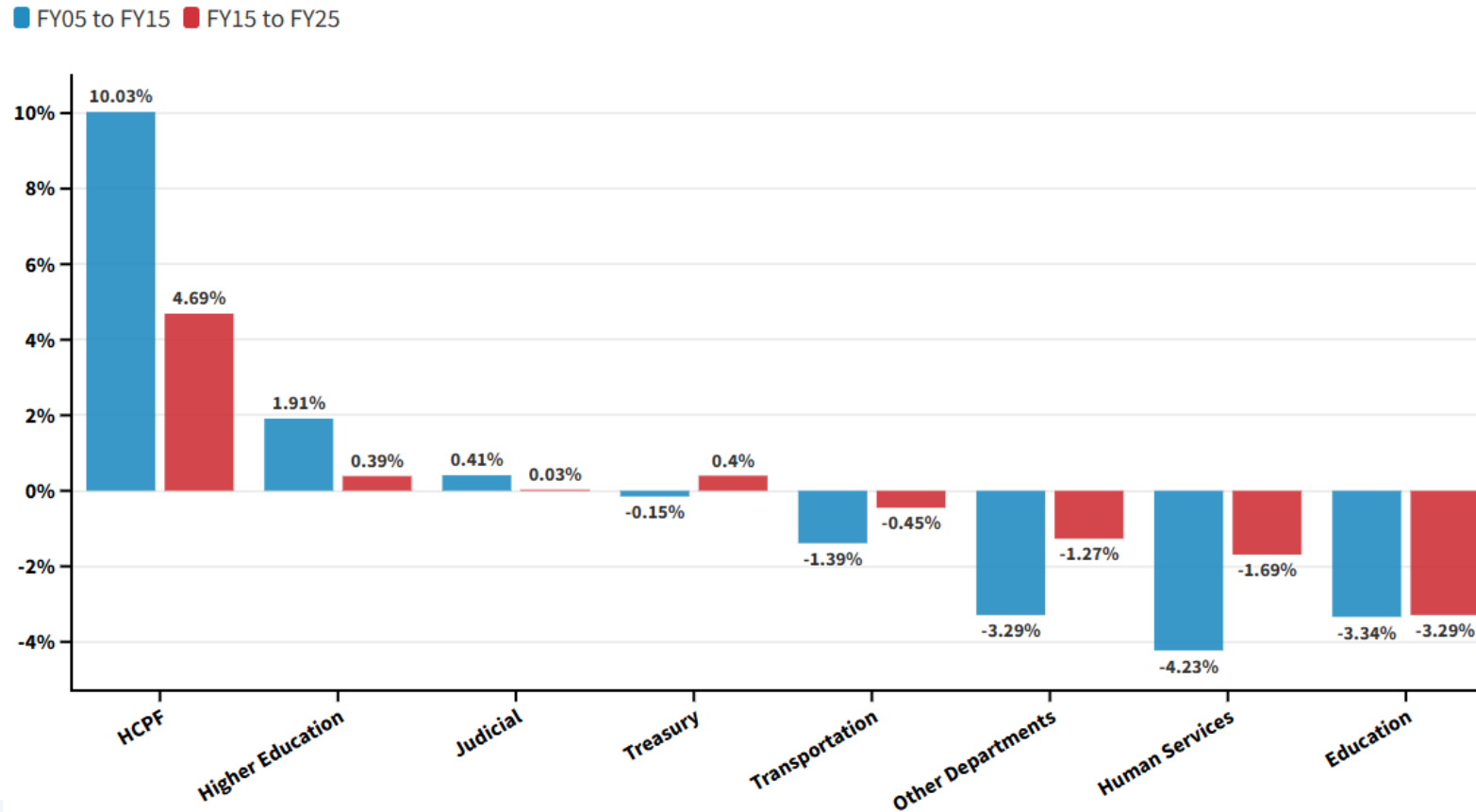
Colorado Full Time Employment(FTE) Growth by Department - Top and Bottom Four



Over the last 10 years, Colorado state-government FTE has grown from 55,700 to 66,400—a 19.2% increase. The number of Department of Health Care Policy & Financing FTE has grown the fastest (100% since FY16). Employment in the Department of Transportation has remained almost completely static; the department added zero new FTE in both FY25 & FY26.

The Differences in the Share of Colorado's Total Appropriations

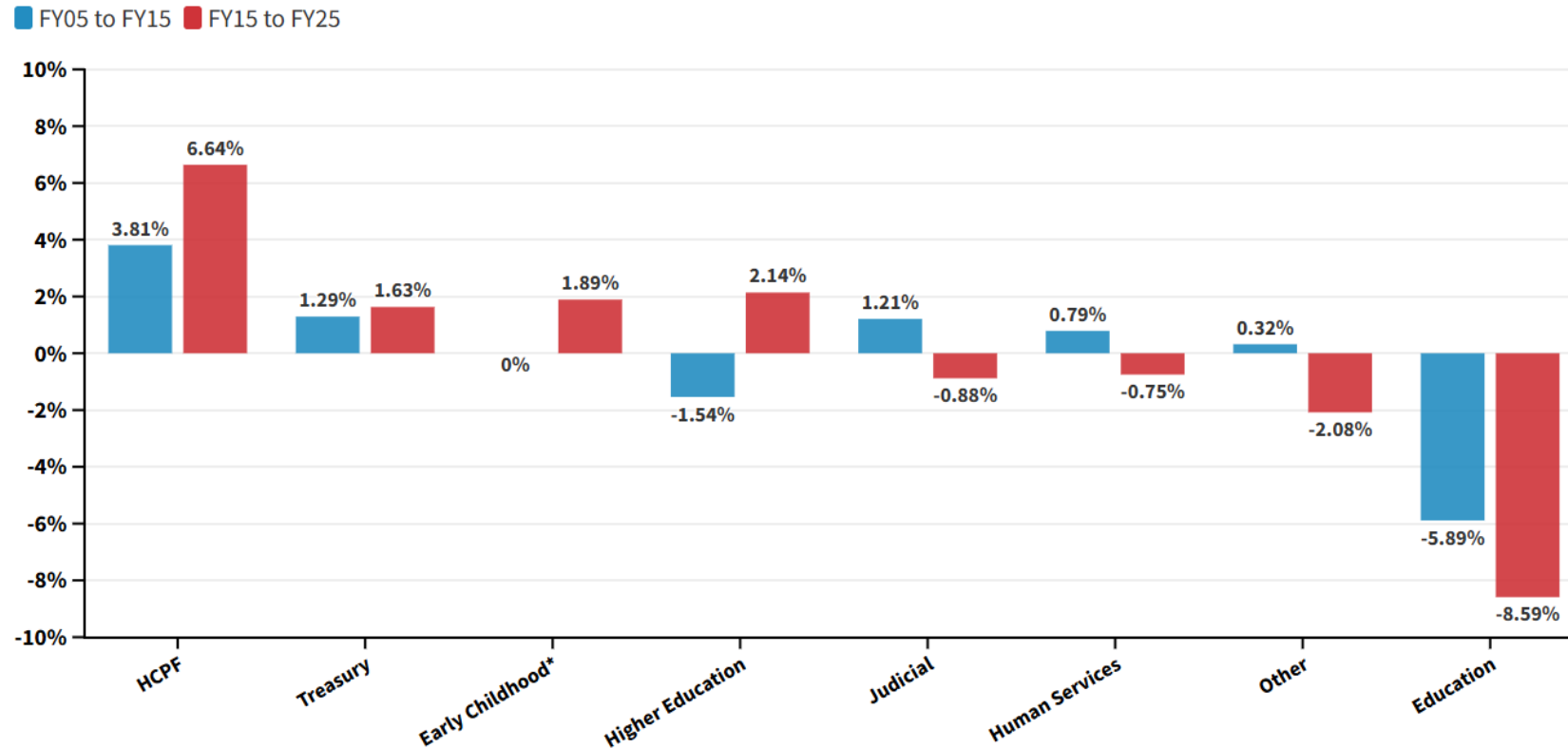
The values are the difference in dollars as a percentage change between FY05 to FY15, and FY15 to FY25. A positive value indicates that the share increased over this period and a negative value indicates a declining share.



From FY15 to FY25, HCPF and Higher Education were the only major departments to increase their shares of total appropriations. Between FY05 and FY25, the HCPF share of total appropriations grew by 14.72 percentage points; during that same period, the Education share decreased by 6.63 percentage points.

The Differences in the Share of Colorado's General Fund Appropriations

The values are the difference in dollars as a percentage change between FY05 to FY15, and FY15 to FY25. A positive value indicates that the share increased over this period and a negative value indicates a declining share.



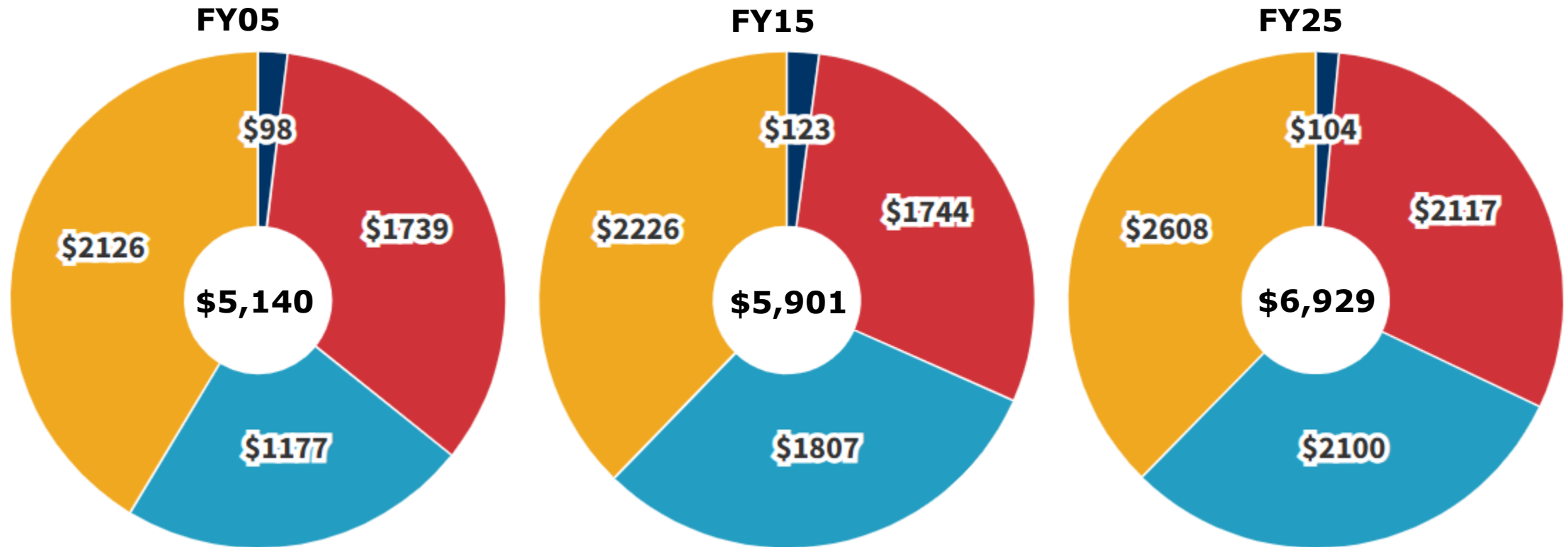
*Department established in 2022

As a share of total General Fund appropriations, the Colorado Department of Education lost a cumulative 14.48 percentage points between FY05 and FY25, the largest loss of any department. By contrast, the HCPF share grew by 10.45 points over this same period. Colorado established the Department of Early Childhood in July of 2022, which now accounts for 1.89% of all General Fund appropriations.

Total State Appropriations per Coloradan

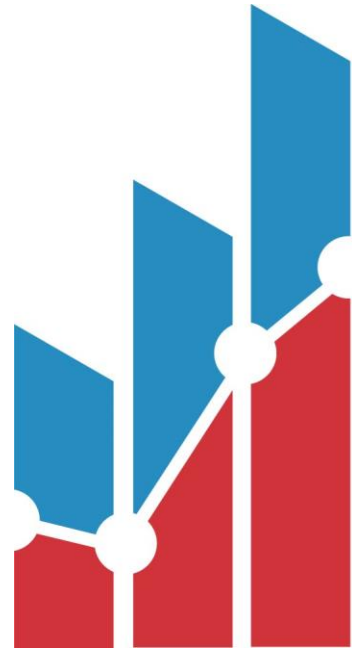
Appropriations are adjusted for population and inflation

Federal Funds Cash Funds General Funds Capital Construction Funds



Source: Colorado JBC Annual Appropriations Report

Adjusted for inflation and population growth, total state government appropriations per Coloradan increased by 35% from FY05 to FY25 and by 17% between FY15 and FY25. Population estimates come from the Colorado State Demography Office and inflation is derived from the Denver MSA Consumer Price Index published by Bureau of Labor Statistics.



COMMON SENSE
INSTITUTE

Colorado Budget Then and Now

Email us at info@csinstitute.co.org