

Joint Budget Committee



Staff Figure Setting FY 2025-26

Office of the Governor

(All Sections except the Office of Information Technology)

JBC Working Document - Subject to Change

Staff Recommendation Does Not Represent Committee Decision

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How to Use this Document: The Department Overview contains a table summarizing the staff recommended changes. Brief explanations of each change follow the table. Each division description includes a similar table but does not repeat the brief explanations. Sections following the Department Overview and the division summary tables provide more details about the changes.

To find decision items, look at the Decision Items Affecting Multiple Divisions or the most relevant division. This applies to both decision items requested by the department and recommended by the staff. Decision items appear in the requested priority order within sections.

In some of the analysis of decision items in this document, you may see language denoting certain ‘levels of evidence’, e.g. evidence-informed, promising, or proven. For a detailed explanation of what is meant by ‘levels of evidence’, and how those levels of evidence are categorized, please refer to Section 2-3-210 (2), C.R.S.

Department Overview

This Joint Budget Committee staff figure setting document includes the following offices and agencies within the Office of the Governor:

The **Office of the Governor (division)** oversees operation of the executive branch of State government including coordination, direction, and planning of agency operations. The Office represents the state, and serves as a liaison with local and federal governments. Includes the core functions of a traditional executive director's office.

The **Office of the Lieutenant Governor** directly oversees the Colorado Commission of Indian Affairs, Serve Colorado (commission on community service), and other initiatives. The Lieutenant Governor temporarily takes the Governor's place if the Governor is out of Colorado or is unable to perform his/her duties.

The **Office of State Planning and Budgeting (OSPB)** develops executive branch budget requests, reviews and analyzes departmental expenditures, and prepares quarterly revenue and economic estimates for the state. Additionally, the Office implements the Results First initiative, a cost benefit analysis model initially developed by the Washington State Institute for Public Policy, and now supported by the Pew Charitable Trusts and the MacArthur Foundation, that aims to determine the monetary value of state policies and programs.

Economic Development Programs, administered by the Office of Economic Development and International Trade (**OEDIT**) assists in strengthening Colorado's prospects for long-term economic growth by providing broad-based support to businesses. The Office's support services include business funding and incentives, promotion of creative industries, international trade assistance, tourism promotion, minority business assistance, key industry promotion (including advanced industries, aerospace, and health and wellness), and film, television, and media industry development.

The **Governor's Office of Information Technology (OIT)** will be covered in a separate document.

Summary of Staff Recommendations

Governor - Lieutenant Governor - State Planning and Budgeting						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$157,624,803	\$49,354,975	\$94,199,136	\$5,140,703	\$8,929,989	204.8
Other Legislation	3,325,276	1,093,376	2,231,900	0	0	10.1
SB 25-092 (Supplemental Bill)	208,890	208,890	0	0	0	0.0
Total FY 2024-25	\$161,158,969	\$50,657,241	\$96,431,036	\$5,140,703	\$8,929,989	214.9
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$161,158,969	\$50,657,241	\$96,431,036	\$5,140,703	\$8,929,989	214.9

Governor - Lieutenant Governor - State Planning and Budgeting						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Centrally appropriated items	3,458,381	1,671,630	1,323,310	34,966	428,475	0.0
OSPB R1 Manage emergency funds	141,804	141,804	0	0	0	1.0
Indirect cost assessment	133,536	0	-8,232	-1,644	143,412	0.0
OEDIT R4 Admin funds	115,753	-1,735,287	700,000	1,151,040	0	0.0
CEO R1 CEO sustain funding	0	0	0	0	0	0.0
CEO R2 Energy Fund transfer	0	0	0	0	0	0.0
OEDIT R1 GF inc global bus dev	0	0	0	0	0	0.0
OEDIT R2 MBO and Leading Edge	0	0	0	0	0	0.0
OEDIT R3 CO aerospace invest	0	0	0	0	0	0.0
OEDIT R7 Opportunity Next transfer	0	0	0	0	0	0.0
OEDIT R8 Advanced Ind transfers	0	0	0	0	0	0.0
OEDIT BA1 CBO funding	0	0	0	0	0	0.0
Prior year budget actions	-4,545,406	-2,057,746	-1,867,642	-56,096	-563,922	-7.7
OEDIT R5 Reduce skill adv approp	-3,000,000	-3,000,000	0	0	0	0.0
Prior year legislation	-1,201,050	-312,125	-835,649	0	-53,276	-1.6
OEDIT R6 One percent GF reduce	-235,406	-235,406	0	0	0	0.0
Technical adjustment	-9,498	134,379	-143,877	0	0	0.0
NP1 Fleet lease	-7,042	-7,042	0	0	0	0.0
Total FY 2025-26	\$156,010,041	\$45,257,448	\$95,598,946	\$6,268,969	\$8,884,678	206.6
Increase/-Decrease From FY 2024-25	-\$5,148,928	-\$5,399,793	-\$832,090	\$1,128,266	-\$45,311	-8.3
Percentage Change	-3.2%	-10.7%	-0.9%	21.9%	-0.5%	-3.9%
FY 2025-26 Executive Request	\$160,390,956	\$48,100,697	\$96,398,946	\$7,006,635	\$8,884,678	209.6
Staff Rec. Above/-Below Request	-\$4,380,915	-\$2,843,249	-\$800,000	-\$737,666	\$0	-3.0

Description of Incremental Changes

Centrally appropriated items: The recommendation includes adjustments to the following centrally appropriated line items.

Centrally appropriated items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Salary survey	\$1,751,209	\$969,524	\$473,728	\$77,984	\$229,973	0.0
Step Plan	994,710	648,868	247,948	40,680	57,214	0.0
Health, life, and dental	340,409	-24,028	416,335	-139,944	88,046	0.0
Payments to OIT	239,637	239,637	0	0	0	0.0
Legal services	158,994	237,287	-78,293	0	0	0.0
CORE operations	73,256	92,852	0	-19,596	0	0.0
AED and SAED adjustment	72,592	-82,917	204,009	-106,946	58,446	0.0
PERA direct distribution	72,138	35,417	51,589	-14,868	0	0.0
Capitol Complex leased space	65,552	-151,241	0	216,793	0	0.0
Workers' compensation	8,346	-5,971	0	14,317	0	0.0
Health, life, dental true-up	6,260	3,596	4,688	-98	-1,926	0.0
Paid Family & Medical Leave Insurance	3,254	-3,608	9,118	-4,832	2,576	0.0
BANP Workers' comp	2,288	458	0	1,830	0	0.0

Centrally appropriated items						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Short-term disability	1,085	-1,203	3,040	-1,611	859	0.0
Risk management & property	-297,525	-270,514	0	-27,011	0	0.0
BANP Short-term disability	-29,661	-12,634	-8,852	-1,462	-6,713	0.0
BANP Risk management	-4,163	-3,893	0	-270	0	0.0
Total	\$3,458,381	\$1,671,630	\$1,323,310	\$34,966	\$428,475	0.0

(OSP) R1 Manage emergency funds: Staff recommends continuing a position to manage emergency funds. The recommendation costs \$141,804 General Fund and 1.0 FTE. An audit raised concerns about how OSPB manages disaster funds. The FY 2023-24 Long Bill provided four staff to address the audit. The funding expires at the end of the fiscal year, but the Governor's duties to manage disaster funds continue. The recommendation is lower than the request, which asked for \$299,470 General Fund and 2.0 FTE.

Indirect cost assessment: The recommendation includes a net increase in these Divisions' indirect cost assessments.

(OEDIT) R4 Administrative Funds: Staff recommends denial of the request but approval of a proposed alternative indirect cost recovery plan. The request is for an increase of \$1,888,706 reappropriated funds in FY 2025-26 to implement an indirect cost recovery plan in OEDIT. Staff has proposed an alternative plan. The alternative plan would decrease General Fund appropriations by \$1,735,287 and offset that decrease with an increase of \$700,000 informational cash funds and \$1,851,040 reappropriated funds. The recommendation costs \$1,072,953 less than the request.

(CEO) R1 CEO sustainable funding: There is no staff recommendation for this request, as the Energy Office has withdrawn it as a formal request. The Energy Office will instead pursue this request through legislation outside of the budget process. The request would have been an increase of \$655,013 General Fund and 4.2 FTE in FY 2025-26. The FY 2026-27 impact would have been \$1,215,554 General Fund and 7.6 FTE. These amounts were requested to be offset by eliminating a \$500,000 General Fund appropriation to the Cannabis Resource Optimization Program (CROP) and transferring the balance of the CROP cash fund – \$900,000 – to the General Fund.

(CEO) R2 Energy Fund transfer: Staff recommends approving the request to sponsor legislation that would transfer \$125,000 cash funds from the Energy Fund to the General Fund. This is a technical correction to fix an omission from legislation in the 2024 legislative session.

(OEDIT) R1 General Fund increase for Global Business Development: Staff recommends denial of the request. The request is for an increase of \$825,000 General Fund and 2.0 FTE in FY 2025-26 and ongoing. This funding would allow the division to augment its ongoing activities and hire two new positions – a Deputy Director and an International & Marketing Promotion Manager. The recommendation costs \$825,000 General Fund and 2.0 FTE less than the request.

(OEDIT) R2 MBO and Leading Edge program: Staff recommends denial of the request. The request is for an increase of \$250,000 General Fund for FY 2025-26. Of that total amount, \$175,000 would be a one-time increase, and \$75,000 would be an ongoing increase. The

funding would allow the Minority Business Office to expand its multilingual capacities. Leading Edge would be able to increase its existing Small Business Administration grant match to a 1:1 ratio. The recommendation costs \$250,000 General Fund less than the request.

(OEDIT) R3 CO aerospace investment: Staff recommends denial of the request. The request is for an increase of \$100,000 General Fund for FY 2025-26. This funding would allow the Aerospace and Defense Industry Manager to attend more exhibitions, conferences, and industry events to market the Colorado aerospace and defense industry. The recommendation costs \$100,000 less than the request.

(OEDIT) R7 Opportunity Next transfer: Staff recommends sponsoring legislation to transfer the remaining balance in the Universal High School Scholarship Program Cash Fund to the General Fund. The agency has indicated that the fund balance is unlikely to be used in the manner that statute intended, and could be better utilized elsewhere. This transfer would increase General Fund revenue by \$3,304,500 in FY 2025-26.

(OEDIT) R8 Advanced Industries transfers: Staff recommends sponsoring legislation to transfer cash funds from the Advance Industries Accelerator Cash Fund to the General Fund in FY 2024-25. The legislation would also reduce FY 2025-26 transfers from the Bioscience Income Tax Transfer and the Limited Gaming Distribution. Together, these transfers and reductions would increase General Fund revenue across FY 2024-25 and FY 2025-26 by \$17,677,111.

(OEDIT) BA1 CBO sustainable funding: Staff recommends denial of the request. The request is for an increase of \$1.5 million cash funds from the Marijuana Tax Cash Fund for FY 2025-26 and ongoing. This funding would provide the Cannabis Business Office with a sustainable fund source to allow the office to continue. The recommendation costs \$1.5 million less than the request.

Prior year budget actions: The recommendation includes a decrease of \$4,545,406 total funds for the impact of prior year budget actions as shown in the table below.

Prior year budget actions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
OEDIT FY 24-25 Fig set adjust	-\$1,200,000	\$0	-\$1,200,000	\$0	\$0	0.0
FY 2024-25 Step Plan	-1,190,679	-543,015	-335,809	-28,215	-283,640	0.0
Prior year salary survey	-1,176,581	-536,585	-331,833	-27,881	-280,282	0.0
FY 23-24 OSPB BA1 Emergency Funds Reporting Staff	-428,325	-428,325	0	0	0	-4.0
OEDIT FY 24-25 BA1 OREC sunset	-297,000	-297,000	0	0	0	-2.7
FY 22-23 GOV R2 Medical Financial Partnership Pilot	-220,145	-220,145	0	0	0	-1.0
FY 24-25 LG R1 CCIA roadmap tribal affairs	-32,676	-32,676	0	0	0	0.0
Total	-\$4,545,406	-\$2,057,746	-\$1,867,642	-\$56,096	-\$563,922	-7.7

(OEDIT) R5 Reduce skill advance appropriation: Staff recommends reducing the appropriation to the Skill Advance program. Per the request, in FY 2025-26 and FY 2026-27, the reduction would be \$3.0 million General Fund in each year. In FY 2027-28 and ongoing, the appropriation would be reduced by \$1.0 million.

Prior year legislation: The recommendation includes a net decrease of \$1,201,050 total funds for the impact of prior year legislation as shown in the table below.

Prior year legislation					
Item	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
HB 23-1272 Tax policy that advances carbon	\$37,655	\$0	\$37,655	\$0	0.0
HB 23-1281 Advance use clean hydrogen	26,720	26,720	\$0	0	-0.4
HB 24-1365 Opp now grants	5,438	5,438	0	0	0.2
HB 24-1295 Creative ind comm revival	1,974	1,974	0	0	0.2
HB 24-1157 Employee-owned bus office	536	536	0	0	0.3
HB 24-1001 Reauth rural jump start	-873,304	0	-873,304	0	-1.5
SB 24-214 Implement state climate goals	-100,000	-100,000	0	0	0.0
HB 24-1313 Transit-oriented communities	-100,000	-100,000	0	0	0.0
HB 23-1247 Assess adv energy solutions CO	-53,276	0	0	-53,276	-0.2
SB 24-190 Rail and coal transition	-42,460	-42,460	0	0	0.0
HB 23-1234 Streamlined solar	-30,787	-30,787	0	0	-0.4
HB 24-1358 Film incentive tax credit	-29,120	-29,120	0	0	0.0
HB 24-1314 Mod tax credit preservation	-22,008	-22,008	0	0	0.1
HB 24-1370 Reduce cost of natural gas	-12,692	-12,692	0	0	-0.1
HB 24-1325 Quantum tax credits	-9,726	-9,726	0	0	0.2
Total	-\$1,201,050	-\$312,125	-\$835,649	-\$53,276	-1.6

(OEDIT) R6 One-percent General Fund reduction: Staff recommends reducing the General Fund appropriation in OEDIT by 1.0 percent. This would be an across-the-board reduction in OEDIT. Reducing the appropriation by 1.0 percent would generate \$235,406 in General Fund savings.

Technical adjustment: The recommendation includes a net decrease of \$9,498 total funds, including an increase of \$134,379 General Fund, as shown in the table below.

Technical adjustment						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
OEDIT office lease technical adjust	\$86,035	\$86,035	0	0	0	0.0
CEO office lease technical adjustment	48,344	48,344	0	0	0	0.0
OEDIT HPTC cash fund footnote cor	-143,877	0	-143,877	0	0	0.0
Total	-\$9,498	\$134,379	-\$143,877	\$0	\$0	0.0

NP1 Fleet lease: The recommendation includes a net decrease of \$7,042 General Fund to reflect an impact on this department driven by a fleet vehicle lease request in the Department of Personnel.

Major Differences from the Request

The most significant different from the request is staff recommendations to deny requests that would increase General Fund. Staff also recommended denial of a request that would increase appropriations from the Marijuana Tax Cash Fund. Finally, staff recommended an alternative indirect cost recovery plan for the Office of Economic Development and International Trade.

Decision Items Affecting Multiple Divisions

→ R1 (OEDIT) General Fund Increase for Global Business Corporate Development

Request

The Department requests an increase of \$825,000 General Fund and 2.0 FTE in FY 2025-26 and ongoing to address a cumulative budget shortfall for the Global Business Corporate Development (GBCD) program. Of this amount, \$574,418 would fund programming and \$250,582 would fund 2.0 FTE.

Recommendation

Staff recommends denial of the request.

Analysis

What is Global Business Corporate Development?

Global Business Corporate Development (GBCD) is a program funded through the Global Business Development line item that, according to documentation from the department, “provides critical support and developmental resources to Colorado businesses. Much of the Division’s work focuses on the business recruitment and retention, business scaling and expansion, and job growth. Furthermore, this division also supports Colorado businesses in international export promotion and leads the state’s strategies in international trade and diplomacy.”

The Global Business Development division was created in FY 2014-15 and absorbed the International Trade division at that time. According to the Department, the CORE system reports that the budget for GBCD in FY 2015-16 was just over \$500,000.

What is the Reason for the Request?

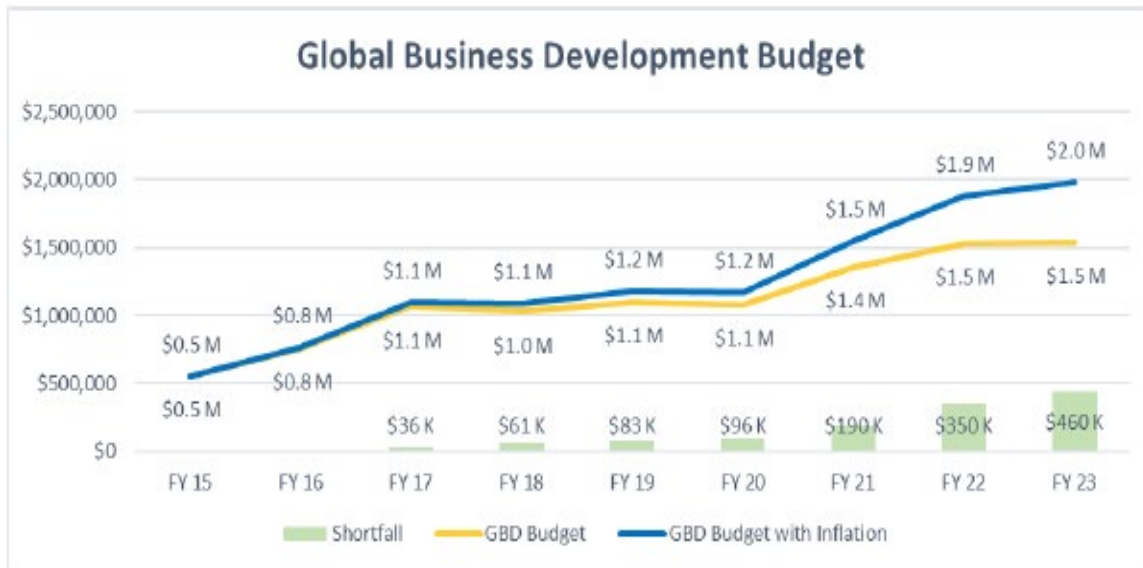
The Department reports that there are four main reasons for this ongoing General Fund request.

- 1 Increasing cost of doing business and declining purchasing power;
- 2 Increased international engagements;
- 3 Increased promotional efforts needed as Colorado faces growth headwinds and increased market saturation from other states; and
- 4 Low ratio of staff to economy size compared to competitor states.

Reason 1

In their request document, the Department cites a website called *The CFO* that claims “business travel and events costs will remain elevated through 2024. This is due to rising fuel prices, labor shortages, and supply chain challenges. [...] the average ticket price for flights booked for business travel rose dramatically by 72% in 2022 compared to the previous year, significantly surpassing 2019 levels.”

The Department also included a chart that outlines the GBCD budget compared with inflation, included below:



While staff has no doubt that airline tickets have increased in price over the past several years, staff is less convinced of the Department’s argument that its budget has not kept pace with inflation.

According to the Bureau of Labor Statistics, from July 2015 to July 2023, inflation increased in the West Region by approximately 32.6 percent.¹ This means that GBCD’s budget would be \$662,882 if adjusted purely for inflation since 2015 – which is well below its current budget of approximately \$1.5 million. Staff assumes that OEDIT got to the \$2.0 million number reflected in the chart above by taking into account all budgetary increases as well as inflationary increases.

So to claim that the budget has not kept pace with inflation is somewhat misleading, as the overall budget has outpaced pure inflationary effects, but lags if inflation percentages are applied to all budgetary increases.

¹ https://data.bls.gov/pdq/SurveyOutputServlet?data_tool=dropmap&series_id=CUUR0400SA0,CUUS0400SA0

Reason 2

The second reason given for requesting this funding is because of increased international engagements. The Department reports that they host diplomatic visits from roughly 30 different countries and lead 4-6 fact-finding, market discovery, and investment missions per year. These fact-finding missions include scholarship opportunities for rural and under-resourced companies to participate free of charge.

The Department expects increased foreign delegation visits to Colorado in the coming years based on a report² from the Truman Center City and State Diplomacy Task Force outlining their expectation that cities and states in the U.S. will become more desirable targets of foreign countries' diplomacy efforts. This seems to be a well-documented trend among foreign policy think tanks, and staff sees no reason to argue against it.

Reason 3

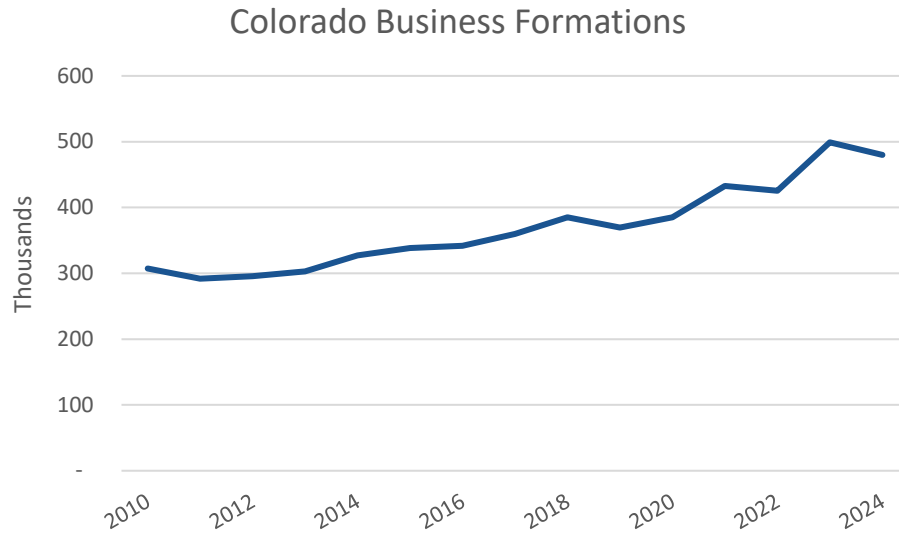
The third aspect of the request that would receive funding is the division's promotional efforts. The Department reports that since the pandemic, Colorado has dropped in various rankings – including Forbes, CNBC, and U.S. News and World Report – from top 10 in business, top 10 overall, and number 1 in economy to top 15 in business, top 15 overall, and number 4 in economy. This has been attributed to factors such as cost of living – driven by high housing costs, crime and corrections, air quality, and slowing population growth.

While having a high ranking in these types of reports can be good marketing in and of itself, staff is unconvinced that increased funding for promotional efforts will cause Colorado to rise in the rankings again. First, based on information from the U.S. Chamber of Commerce and census.gov, it seems that Colorado is already one of the leading states in both new business applications and year-over-year business formation. According to the U.S. Chamber of Commerce, from December 2022 to December 2023 the number of new business applications increased 115.0 percent, which equates to 142,927 applications.³ This was the largest increase in the nation by a wide margin. Similarly, according to data taken from census.gov, since 2010 business formation has been on a steady upward trend in Colorado.⁴

² <https://www.trumancenter.org/issues/report-of-the-truman-center-city-state-diplomacy-task-force>

³ <https://www.uschamber.com/small-business/new-business-applications-a-state-by-state-view?state=co>

⁴ <https://www.census.gov/library/visualizations/interactive/bfs-by-state.html>



Additionally, staff is unsure that additional promotional efforts will solve the problems that the Department outlined in the request document as the main contributors to economic headwinds. There could certainly be an argument for new entrepreneurship helping to solve issues like high housing costs and air quality issues, but staff struggles to see how funding promotional efforts would lessen the effects of crime and slowing population growth.

Reason 4

The final reason the Department has offered for why they need ongoing General Fund is because Colorado has a relatively small number of FTE per million population compared to competitor states. The Department chose Pennsylvania, North Carolina, and Virginia as the competitor states to compare Colorado to because those states have similar industries as Colorado, including technology, defense, and aerospace.

The Department included the following table to show the comparison in FTE and budget per \$M of GDP.

State	BD Staff	Staff Ratio to Population	Annual Budget	Budget to GDP Ratio (Total and Per \$M GDP)
Colorado	15 FTE	2.7 FTE per million population	\$1.5 Million	\$2.9 budget per \$M GDP
Pennsylvania	73 FTE	8.3 FTE per million population	\$7.2 Million	\$7.4 budget per \$M GDP
North Carolina	35 FTE	3.4 FTE per million population	\$7 Million	\$9.1 budget per \$M GDP
Virginia	76 FTE	8.8 FTE per million population	\$17.8 Million	\$25.1 budget per \$M GDP

The table basically outlines the perceived issue that Colorado dedicates fewer resources to global business development efforts than other competitor states.

Staff is not sure that more FTE and more money is the ‘solution’, however. If we compare these states based on the rankings that the Department used to show the need for more promotional capacity, it seems that Colorado is performing comparatively well.

Competitor State Rankings				
State	Business Ranking (CNBC)	Business Ranking (Forbes)	Economy Ranking (US News and World Report)	Overall Ranking (US News and World Report)
Colorado	16	9	4	16
North Carolina	2	1	11	19
Pennsylvania	17	27	41	40
Virginia	1	4	16	13

Based on these rankings, it seems that Virginia and North Carolina are doing ‘better’ than Colorado but Pennsylvania is doing ‘worse’. Pennsylvania has similar FTE per million population to Virginia and considerably more than North Carolina, yet ranks much lower than both in all categories. Similarly, Pennsylvania dedicates a similar dollar amount per million dollars of GDP as North Carolina, but the two states differ considerably in the rankings. Staff does not believe that increasing FTE or appropriations will result in demonstrably better outcomes for Colorado’s global business development efforts.

Roles of requested FTE

The other aspect of the request is for funding to hire 2.0 FTE, which includes a Deputy Director and an International Marketing & Promotion Manager.

The Deputy Director would perform the following duties:

- Succession planning;
- Implementation and execution of recent federal funding opportunities; and
- Direct work utilizing new strategic industry designations.

It seems that the primary reason for requesting this FTE is to reduce workload on the Director. The Department notes that prior to FY 2014-15 GBCD was two separate divisions, but when those divisions merged, director responsibilities were concentrated into a single FTE and no deputy director has ever been funded.

The second position that the funding would support is an International Marketing & Promotion Manager. The International Marketing & Promotion Manager would perform the following duties:

- Represent Colorado in foreign markets;
- Market and promote OEDIT programs to foreign markets; and
- Manage the State Trade and Export Promotion program.

The Department notes that “Colorado’s competitor states all have a presence internationally”, and funding for this position would allow Colorado to also have an international presence.

Recommendation

While additional funding would allow Global Business Development to achieve some of its international and domestic goals, and additional staffing would spread the workload out in the division, staff ultimately is of the opinion that this request is a ‘nice-to-have’ as opposed to a ‘need-to-have’. Staff believes that in the current budget climate, ongoing General Fund appropriations should be reserved for only the most important programs and staff. For this reason, staff is recommending denial of the request.

If the Committee chooses to fund either or both of the FTE requested, staff has provided a table with recommended funding levels.

OEDIT R1 General Fund Increase for Global Business Corporate Development						
Item	FY 2025-26 Request		FY 2025-26 Recommendation		FY 2026-27 R1 Rec. Annualiz.	
	FTE	GF	FTE	GF	FTE	GF
Personal Services						
Project Manager I	0.9	\$80,897	0.9	\$71,383	1.0	\$79,314
Project Manager III	0.9	108,411	0.9	95,674	1.0	106,304
Subtotal - Personal Services	1.8	\$189,308	1.8	\$167,057	2.0	185,618
Employee Benefits		\$45,804		\$0		\$42,108
Standard Op Ex		1,470		2,304		2,560
Capital Outlay		14,000		13,340		0
Totals	1.8	\$250,582	1.8	\$182,701	2.0	\$230,286

(1) Office of the Governor (Division)

The Office of the Governor (division) oversees operation of the executive branch of State government including coordination, direction, and planning of agency operations. The Office represents the state, and serves as a liaison with local and federal governments. The Office carries out the core functions of a traditional executive director's office.

Office of the Governor (division)						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$67,490,353	\$20,904,383	\$37,277,548	\$2,803,447	\$6,504,975	89.5
Other Legislation	1,285,384	326,788	958,596	0	0	3.5
SB 25-092 (Supplemental Bill)	208,890	208,890	0	0	0	0.0
Total FY 2024-25	\$68,984,627	\$21,440,061	\$38,236,144	\$2,803,447	\$6,504,975	93.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$68,984,627	\$21,440,061	\$38,236,144	\$2,803,447	\$6,504,975	93.0
Centrally appropriated items	2,642,812	1,157,367	1,022,004	34,966	428,475	0.0
Indirect cost assessment	141,768	0	0	-1,644	143,412	0.0
OSPB R1 Manage emergency funds	23,323	23,323	0	0	0	0.0
CEO R1 CEO sustain funding	0	0	0	0	0	0.0
CEO R2 Energy Fund transfer	0	0	0	0	0	0.0
OEDIT R1 GF inc global bus dev	0	0	0	0	0	0.0
Prior year budget actions	-2,973,633	-1,529,279	-667,642	-212,790	-563,922	-2.0
Prior year legislation	-232,380	-216,759	37,655	0	-53,276	-1.1
Technical adjustment	48,344	48,344	0	0	0	0.0
NP1 Fleet lease	1,424	1,424	0	0	0	0.0
Total FY 2025-26	\$68,636,285	\$20,924,481	\$38,628,161	\$2,623,979	\$6,459,664	89.9
Increase/-Decrease From FY 2024-25	-\$348,342	-\$515,580	\$392,017	-\$179,468	-\$45,311	-3.1
Percentage Change	-0.5%	-2.4%	1.0%	-6.4%	-0.7%	-3.3%
FY 2025-26 Executive Request	\$68,624,387	\$20,912,583	\$38,628,161	\$2,623,979	\$6,459,664	90.9
Staff Rec. Above/-Below Request	\$11,898	\$11,898	\$0	\$0	\$0	-1.0

Decision Items

→ R1 (CEO) Sustainable Funding for CEO [Withdrawn]

Request

As part of the November 1 budget submission, the Colorado Energy Office (CEO) submitted their R-1 Sustainable Funding for CEO. The request included an increase of \$155,013 General Fund for FY 2025-26 and ongoing.

Analysis

The Energy Office has withdrawn this request, but is instead pursuing the goals of the request through legislation outside of the budget process. That legislation would do the following:

In FY 2025-26:

- \$900,000 transfer from the Cannabis Resource Optimization Program (CROP) cash fund to the General Fund;
- \$500,000 reduction in appropriation to CROP;
- \$655,013 GF ongoing increase for the Energy Office.
 - **Net:** \$744,987 GF

In FY 2026-27:

- \$500,000 reduction in appropriation to CROP;
- \$1,215,554 GF ongoing increase for the Energy Office.
 - **Net:** \$29,433 GF

Also included in the legislation will be two additional cash fund transfers to the General Fund in FY 2025-26:

- \$154,862 from the Innovative Energy Fund;
- \$512,570 from the Air Quality Improvement Investments Fund.
 - **Net:** \$667,432

→ R2 (CEO) Correction to Energy Fund Transfer from SB24-214 [Requires Legislation]

Request

The Department requests that the JBC sponsor legislation to transfer \$125,000 from the Energy Fund to the General Fund to correct a technical error in S.B. 24-214 (Implement State Climate Goals).

Recommendation

Staff recommends approval of the request.

Analysis

Senate Bill 24-214 (Implement State Climate Goals) created the Office of Sustainability, modified the Geothermal Energy Grant Program and Energy Code Board administration, clarified existing tax credits, established energy efficiency standards for certain construction projects, and commissioned a study on heat pumps.⁵

Section 24-38.5-403 (3)(a) and (3)(c), C.R.S. specifies that within three days after June 2, 2022 the State Treasurer was to make two transfers – of \$3.0 million General Fund and \$275,000 General Fund, respectively – to the Energy Fund. Originally, the second transfer was for \$150,000 General Fund, but was amended and increased by \$125,000.

The General Assembly's intent was, in response to the increase in subsection (3)(c), to decrease the amount in subsection (3)(a) by \$125,000 to \$2,875,000. That decrease never happened. This request would correct that omission by transferring \$125,000 back to the General Fund.

Legislative Placeholders

In the Governor's January 2, 2025 Supplemental and Budget Amendment Requests Letter, the Governor requested a legislative placeholder of \$5.0 million to provide funding to address federal actions that may jeopardize federal fund allocations or address actions by the federal government adverse to Colorado's interests, economy, and public policies of the state.

Additionally, the Governor requested a legislative placeholder of \$150,000 General Fund to create a transit modernization commission to evaluate and recommend actions for the transit system to reduce pollution, advance affordability, and improve quality of life.

⁵ http://leg.colorado.gov/sites/default/files/documents/2024A/bills/fn/2024a_sb214_f1.pdf

Line Item Detail

(A) Governor's Office

Administration of Governor's Office and Residence

This line item provides funding for the personal services and operating expenses for the position of the Governor, Office of Policy and Research, Office of Legislative Relations, the Office of Legal Counsel, Boards and Commissions, Office of the Citizens' Advocate, and the Office of Saving People Money on Health Care. As Chief Executive of the state, the Governor is responsible for the overall operation of the executive branch of government. The Office provides coordination, direction, and planning of agency operations, maintains liaison with local governments and the federal government, and exercises the executive powers of the state.

Statutory Authority: Article IV of the Colorado Constitution.

Recommendation: The staff recommendation is summarized in the table below.

Office of the Governor, Governor's Office, Administration of Governor's Office and Residence						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$6,321,229	\$5,743,205	\$106,912	\$471,112	\$0	46.0
Total FY 2024-25	\$6,321,229	\$5,743,205	\$106,912	\$471,112	\$0	46.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$6,321,229	\$5,743,205	\$106,912	\$471,112	\$0	46.0
Centrally appropriated items	487,500	420,450	10,954	56,096	0	0.0
OSPB R1 Manage emergency funds	0	0	0	0	0	0.0
Prior year budget actions	-335,145	-335,145	0	0	0	-2.0
Total FY 2025-26	\$6,473,584	\$5,828,510	\$117,866	\$527,208	\$0	44.0
Increase/-Decrease from FY 2024-25	\$152,355	\$85,305	\$10,954	\$56,096	\$0	-2.0
Percentage Change	2.4%	1.5%	10.2%	11.9%	n/a	-4.3%
FY 2025-26 Executive Request	\$6,612,714	\$5,967,640	\$117,866	\$527,208	\$0	45.0
Staff Rec. Above/-Below Request	-\$139,130	-\$139,130	\$0	\$0	\$0	-1.0

Discretionary Fund

This line item provides funding for spending at the discretion of the Governor. The statutorily-specified maximum amount for discretionary funding for the Governor is \$20,000, and is subject to appropriation by the General Assembly.

Statutory Authority: Section 24-9-105, C.R.S.

Request: The Department requests continuation funding.

Recommendation: Staff recommends continuation funding.

Mansion Activity Fund

The Governor's Residence, located in the City and County of Denver at 400 East Eighth Avenue, is 26,431 square feet, and is accompanied by a 4,837 square foot Carriage House located on the same property. The two buildings are made available to the public for various activities and require spending authority for funds collected for use of the Governor's mansion. Funds received are from public and state agency use fees used to cover the costs of holding functions at these facilities.

Statutory Authority: Article IV of the Colorado Constitution.

Request: The Department requests continuation funding.

Recommendation: Staff recommends continuation funding.

Office of Climate Preparedness

The Office is tasked with coordinating the State's disaster recovery efforts for the Governor's Office, developing and publishing the statewide climate preparedness roadmap, and establishing and managing the intergovernmental task forces on climate preparedness. As well as personnel costs, this line covers all operating expenses related to the Office.

Statutory Authority: Section 24-38.8-102 (1), C.R.S.

Recommendation: The staff recommendation is summarized in the table below.

Office of the Governor, Governor's Office, Office of Climate Preparedness						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$453,707	\$453,707	\$0	\$0	\$0	3.0
Total FY 2024-25	\$453,707	\$453,707	\$0	\$0	\$0	3.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$453,707	\$453,707	\$0	\$0	\$0	3.0
Centrally appropriated items	17,255	17,255	0	0	0	0.0
Total FY 2025-26	\$470,962	\$470,962	\$0	\$0	\$0	3.0
Increase/-Decrease from FY 2024-25	\$17,255	\$17,255	\$0	\$0	\$0	0.0
Percentage Change	3.8%	3.8%	n/a	n/a	n/a	0.0%
FY 2025-26 Executive Request	\$470,962	\$470,962	\$0	\$0	\$0	3.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

(B) Special Purpose

Health, Life, and Dental

This line item provides funding for the cost of the state's share of the employee's health, life and dental insurance for employees electing coverage. The funding covers these costs for the Governor's Office, Lieutenant Governor's Office, Office of State Planning and Budgeting, and Office of Economic Development and International Trade.

Statutory Authority: Sections 24-50-611 and 24-50-603 (9), C.R.S.

Recommendation: Staff recommendation is contingent on the Committee's compensation common policy decision. The Executive request is reflected in the table below.

Office of the Governor, Special Purpose, Health, Life, and Dental						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$5,112,179	\$2,234,311	\$1,410,405	\$378,638	\$1,088,825	0.0
Total FY 2024-25	\$5,112,179	\$2,234,311	\$1,410,405	\$378,638	\$1,088,825	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$5,112,179	\$2,234,311	\$1,410,405	\$378,638	\$1,088,825	0.0
Centrally appropriated items	346,669	-20,432	421,023	-140,042	86,120	0.0
OSPB R1 Manage emergency funds	12,420	12,420	0	0	0	0.0
OEDIT R1 GF inc global bus dev	0	0	0	0	0	0.0
Total FY 2025-26	\$5,471,268	\$2,226,299	\$1,831,428	\$238,596	\$1,174,945	0.0
Increase/-Decrease from FY 2024-25	\$359,089	-\$8,012	\$421,023	-\$140,042	\$86,120	0.0
Percentage Change	7.0%	-0.4%	29.9%	-37.0%	7.9%	n/a
FY 2025-26 Executive Request	\$5,499,324	\$2,254,355	\$1,831,428	\$238,596	\$1,174,945	0.0
Staff Rec. Above/-Below Request	-\$28,056	-\$28,056	\$0	\$0	\$0	0.0

Short-term Disability

This line item provides funding for short-term disability insurance coverage that is available for all employees and paid by the state. Appropriations are based on payroll that provides partial payment of an employee's salary if that individual becomes disabled and cannot perform his or her work duties. The funding covers these costs for the Governor's Office, Lieutenant Governor's Office, Office of State Planning and Budgeting, and Office of Economic Development and International Trade.

Statutory Authority: Sections 24-50-611 and 24-50-603 (13), C.R.S.

Recommendation: Staff recommendation is contingent on the Committee's compensation common policy decision. The Executive request is reflected in the table below.

Office of the Governor, Special Purpose, Short-term Disability						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$54,530	\$24,893	\$13,557	\$4,353	\$11,727	0.0
Total FY 2024-25	\$54,530	\$24,893	\$13,557	\$4,353	\$11,727	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$54,530	\$24,893	\$13,557	\$4,353	\$11,727	0.0
OSPB R1 Manage emergency funds	73	73	0	0	0	0.0
OEDIT R1 GF inc global bus dev	0	0	0	0	0	0.0
Centrally appropriated items	-28,576	-13,837	-5,812	-3,073	-5,854	0.0
Total FY 2025-26	\$26,027	\$11,129	\$7,745	\$1,280	\$5,873	0.0
Increase/-Decrease from FY 2024-25	-\$28,503	-\$13,764	-\$5,812	-\$3,073	-\$5,854	0.0
Percentage Change	-52.3%	-55.3%	-42.9%	-70.6%	-49.9%	n/a
FY 2025-26 Executive Request	\$26,354	\$11,456	\$7,745	\$1,280	\$5,873	0.0
Staff Rec. Above/-Below Request	-\$327	-\$327	\$0	\$0	\$0	0.0

Unfunded Liability Amortization Equalization Payments

This line item provides funding for amortization and supplemental amortization payments to increase the funded status of the Public Employees' Retirement Association (PERA).

Statutory Authority: Section 24-51-411 (1) and (3.2), C.R.S.

Recommendation: Staff recommendation is contingent on the Committee's compensation common policy decision. The Executive request is reflected in the table below.

Office of the Governor, Special Purpose, Unfunded Liability Amortization Equalization Payments						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$3,635,059	\$1,662,282	\$902,441	\$289,741	\$780,595	0.0
Total FY 2024-25	\$3,635,059	\$1,662,282	\$902,441	\$289,741	\$780,595	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$3,635,059	\$1,662,282	\$902,441	\$289,741	\$780,595	0.0
Centrally appropriated items	72,592	-82,917	204,009	-106,946	58,446	0.0
OSPB R1 Manage emergency funds	10,364	10,364	0	0	0	0.0
OEDIT R1 GF inc global bus dev	0	0	0	0	0	0.0
Total FY 2025-26	\$3,718,015	\$1,589,729	\$1,106,450	\$182,795	\$839,041	0.0
Increase/-Decrease from FY 2024-25	\$82,956	-\$72,553	\$204,009	-\$106,946	\$58,446	0.0
Percentage Change	2.3%	-4.4%	22.6%	-36.9%	7.5%	n/a
FY 2025-26 Executive Request	\$3,746,225	\$1,617,939	\$1,106,450	\$182,795	\$839,041	0.0

Office of the Governor, Special Purpose, Unfunded Liability Amortization Equalization Payments

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Staff Rec. Above/-Below Request	-\$28,210	-\$28,210	\$0	\$0	\$0	0.0

PERA Direct Distribution

This line item is included as a common policy allocation payment for the state portion of the PERA Direct Distribution created in Section 24-51-414, C.R.S., enacted in S.B. 18-200. The funding covers these costs for the Governor’s Office, Lieutenant Governor’s Office, Office of State Planning and Budgeting, and Office of Economic Development and International Trade.

Statutory Authority: Section 24-51-414, (2) C.R.S.

Recommendation: Staff recommendation is contingent on the Committee’s compensation common policy decision. The Executive request is reflected in the table below.

Office of the Governor, Special Purpose, PERA Direct Distribution

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$603,644	\$405,379	\$150,080	\$48,185	\$0	0.0
Total FY 2024-25	\$603,644	\$405,379	\$150,080	\$48,185	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$603,644	\$405,379	\$150,080	\$48,185	\$0	0.0
Centrally appropriated items	72,138	35,417	51,589	-14,868	0	0.0
Total FY 2025-26	\$675,782	\$440,796	\$201,669	\$33,317	\$0	0.0
Increase/-Decrease from FY 2024-25	\$72,138	\$35,417	\$51,589	-\$14,868	\$0	0.0
Percentage Change	12.0%	8.7%	34.4%	-30.9%	n/a	n/a
FY 2025-26 Executive Request	\$675,782	\$440,796	\$201,669	\$33,317	\$0	0.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Paid Family and Medical Leave Insurance Program

Colorado Proposition 118, Paid Family Medical Leave Initiative, was approved by voters in November 2020 and created a paid family and medical leave insurance program for all Colorado employees administered by the Colorado Department of Labor and Employment. This requires employers and employees in Colorado to pay a payroll premium (.90 percent with a minimum of half paid by the employer) to finance paid family and medical leave insurance benefits beginning January 1, 2023. It finances up to 12 weeks of paid family and medical leave to eligible employees.

Statutory Authority: Section 8-13.3-516, C.R.S.

Recommendation: Staff recommendation is contingent on the Committee’s compensation common policy decision. The Executive request is reflected in the table below.

Office of the Governor, Special Purpose, Paid Family and Medical Leave Insurance Program

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$163,590	\$74,679	\$40,672	\$13,058	\$35,181	0.0
Total FY 2024-25	\$163,590	\$74,679	\$40,672	\$13,058	\$35,181	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$163,590	\$74,679	\$40,672	\$13,058	\$35,181	0.0
Centrally appropriated items	3,254	-3,608	9,118	-4,832	2,576	0.0
OSPB R1 Manage emergency funds	466	466	0	0	0	0.0
OEDIT R1 GF inc global bus dev	0	0	0	0	0	0.0
Total FY 2025-26	\$167,310	\$71,537	\$49,790	\$8,226	\$37,757	0.0
Increase/-Decrease from FY 2024-25	\$3,720	-\$3,142	\$9,118	-\$4,832	\$2,576	0.0
Percentage Change	2.3%	-4.2%	22.4%	-37.0%	7.3%	n/a
FY 2025-26 Executive Request	\$168,579	\$72,806	\$49,790	\$8,226	\$37,757	0.0
Staff Rec. Above/-Below Request	-\$1,269	-\$1,269	\$0	\$0	\$0	0.0

Salary Survey

This line item provides funding for market adjustments to occupational groups' salaries in the Office. The funding covers these costs for the Governor's Office, Lieutenant Governor's Office, Office of State Planning and Budgeting, and Office of Economic Development and International Trade.

Statutory Authority: Section 24-50-104, C.R.S.

Recommendation: Staff recommendation is contingent on the Committee's compensation common policy decision. The Executive request is reflected in the table below.

Office of the Governor, Special Purpose, Salary Survey

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$1,311,387	\$593,511	\$331,833	\$105,761	\$280,282	0.0
Total FY 2024-25	\$1,311,387	\$593,511	\$331,833	\$105,761	\$280,282	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$1,311,387	\$593,511	\$331,833	\$105,761	\$280,282	0.0
Centrally appropriated items	1,016,289	432,939	303,274	50,103	229,973	0.0
Prior year budget actions	-1,311,387	-593,511	-331,833	-105,761	-280,282	0.0
Total FY 2025-26	\$1,016,289	\$432,939	\$303,274	\$50,103	\$229,973	0.0
Increase/-Decrease from FY 2024-25	-\$295,098	-\$160,572	-\$28,559	-\$55,658	-\$50,309	0.0
Percentage Change	-22.5%	-27.1%	-8.6%	-52.6%	-17.9%	n/a

Office of the Governor, Special Purpose, Salary Survey						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Executive Request	\$1,016,289	\$432,939	\$303,274	\$50,103	\$229,973	0.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Step Pay

This line item provides detail on the amount of funding appropriated to each department as a result of the step pay plan. The step pay plan took effect in FY 2024-25 and is a result of negotiations between the State of Colorado and Colorado Workers for Innovative and New Solutions (COWINS).

Statutory Authority: Sections 24-50-1101, et seq., C.R.S.

Recommendation: Staff recommendation is contingent on the Committee's compensation common policy decision. The Executive request is reflected in the table below.

Office of the Governor, Special Purpose, Step Pay						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$1,327,101	\$600,623	\$335,809	\$107,029	\$283,640	0.0
Total FY 2024-25	\$1,327,101	\$600,623	\$335,809	\$107,029	\$283,640	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$1,327,101	\$600,623	\$335,809	\$107,029	\$283,640	0.0
Centrally appropriated items	250,984	105,853	75,452	12,465	57,214	0.0
Prior year budget actions	-1,327,101	-600,623	-335,809	-107,029	-283,640	0.0
Total FY 2025-26	\$250,984	\$105,853	\$75,452	\$12,465	\$57,214	0.0
Increase/-Decrease from FY 2024-25	-\$1,076,117	-\$494,770	-\$260,357	-\$94,564	-\$226,426	0.0
Percentage Change	-81.1%	-82.4%	-77.5%	-88.4%	-79.8%	n/a
FY 2025-26 Executive Request	\$250,984	\$105,853	\$75,452	\$12,465	\$57,214	0.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Workers' Compensation

This line item provides funds for workers' compensation insurance for the entire state carried by the Department of Personnel. Appropriations to departments covered by the insurance are determined through actuarial calculations and three years of claims history. The funding covers these costs for the Governor's Office, Lieutenant Governor's Office, Office of State Planning and Budgeting, and Office of Economic Development and International Trade.

Statutory Authority: Section 24-30-1510.7, C.R.S.

Recommendation: The staff recommendation is summarized in the table below.

Office of the Governor, Special Purpose, Workers' Compensation						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$18,532	\$11,347	\$0	\$7,185	\$0	0.0
Total FY 2024-25	\$18,532	\$11,347	\$0	\$7,185	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$18,532	\$11,347	\$0	\$7,185	\$0	0.0
Centrally appropriated items	10,634	-5,513	0	16,147	0	0.0
Total FY 2025-26	\$29,166	\$5,834	\$0	\$23,332	\$0	0.0
Increase/-Decrease from FY 2024-25	\$10,634	-\$5,513	\$0	\$16,147	\$0	0.0
Percentage Change	57.4%	-48.6%	n/a	224.7%	n/a	n/a
FY 2025-26 Executive Request	\$29,166	\$5,834	\$0	\$23,332	\$0	0.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Legal Services

This line item provides funding for legal services rendered by the Department of Law. The funding covers these costs for the Governor's Office, Lieutenant Governor's Office, Office of State Planning and Budgeting, and Office of Economic Development and International Trade.

Statutory Authority: Article IV of the Colorado Constitution

Recommendation: Staff recommendation is contingent on the Committee's legal services common policy decision. The Executive request is reflected in the table below.

Office of the Governor, Special Purpose, Legal Services						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$1,074,738	\$1,074,738	\$0	\$0	\$0	0.0
Total FY 2024-25	\$1,074,738	\$1,074,738	\$0	\$0	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$1,074,738	\$1,074,738	\$0	\$0	\$0	0.0
Centrally appropriated items	115,673	115,673	0	0	0	0.0
Total FY 2025-26	\$1,190,411	\$1,190,411	\$0	\$0	\$0	0.0
Increase/-Decrease from FY 2024-25	\$115,673	\$115,673	\$0	\$0	\$0	0.0
Percentage Change	10.8%	10.8%	n/a	n/a	n/a	n/a
FY 2025-26 Executive Request	\$1,190,411	\$1,190,411	\$0	\$0	\$0	0.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Payment to Risk Management and Property Funds

This line item provides funding for the Office's share of liability and property insurance carried by the Department of Personnel is appropriated through this line item. The liability program is used to pay liability claims and expenses brought against the state. The funding covers these costs for the Governor's Office (including the Colorado Energy Office), Lieutenant Governor's Office, Office of State Planning and Budgeting, and Office of Economic Development and International Trade. The Governor's Office of Information Technology receives appropriations for this purpose in its budgetary division.

Statutory Authority: Sections 24-30-1510 and 24-30-1510.5, C.R.S.

Recommendation: The staff recommendation is summarized in the table below.

Office of the Governor, Special Purpose, Payment to Risk Management and Property Funds						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$405,791	\$292,167	\$0	\$113,624	\$0	0.0
Total FY 2024-25	\$405,791	\$292,167	\$0	\$113,624	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$405,791	\$292,167	\$0	\$113,624	\$0	0.0
Centrally appropriated items	-301,688	-274,407	0	-27,281	0	0.0
Total FY 2025-26	\$104,103	\$17,760	\$0	\$86,343	\$0	0.0
Increase/-Decrease from FY 2024-25	-\$301,688	-\$274,407	\$0	-\$27,281	\$0	0.0
Percentage Change	-74.3%	-93.9%	n/a	-24.0%	n/a	n/a
FY 2025-26 Executive Request	\$104,103	\$17,760	\$0	\$86,343	\$0	0.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Capitol Complex Leased Space

This line item provides funding for the Office's payment to the Department of Personnel for leased space within the Capitol Complex. The funding covers these costs for the Governor's Office, Lieutenant Governor's Office, and Office of State Planning and Budgeting. The Governor's Office of Information Technology receives appropriations for this purpose in its budgetary division.

Statutory Authority: Section 24-30-1104 (4), C.R.S.

Recommendation: The staff recommendation is summarized in the table below.

Office of the Governor, Special Purpose, Capitol Complex Leased Space						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						

Office of the Governor, Special Purpose, Capitol Complex Leased Space						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB 24-1430 (Long Bill)	\$500,717	\$264,495	\$0	\$236,222	\$0	0.0
Total FY 2024-25	\$500,717	\$264,495	\$0	\$236,222	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$500,717	\$264,495	\$0	\$236,222	\$0	0.0
Centrally appropriated items	65,552	-151,241	0	216,793	0	0.0
Total FY 2025-26	\$566,269	\$113,254	\$0	\$453,015	\$0	0.0
Increase/-Decrease from FY 2024-25	\$65,552	-\$151,241	\$0	\$216,793	\$0	0.0
Percentage Change	13.1%	-57.2%	n/a	91.8%	n/a	n/a
FY 2025-26 Executive Request	\$566,269	\$113,254	\$0	\$453,015	\$0	0.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Payments to OIT

This line item includes funding appropriated to the Office that is then transferred to the Governor's Office of Information Technology to support the information technology systems that support the Office's programs. The funding covers these costs for the Governor's Office (including the Colorado Energy Office), Lieutenant Governor's Office, Office of State Planning and Budgeting, and Office of Economic Development and International Trade. The Governor's Office of Information Technology receives appropriations for this purpose in its budgetary division.

Statutory Authority: Section 24-37.5-104, C.R.S.

Recommendation: The staff recommendation is summarized in the table below.

Office of the Governor, Special Purpose, Payments to OIT						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$1,832,473	\$1,832,473	\$0	\$0	\$0	0.0
SB 25-092 (Supplemental Bill)	\$208,890	\$208,890	\$0	\$0	\$0	0.0
Total FY 2024-25	\$2,041,363	\$2,041,363	\$0	\$0	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$2,041,363	\$2,041,363	\$0	\$0	\$0	0.0
Centrally appropriated items	239,637	239,637	0	0	0	0.0
Total FY 2025-26	\$2,281,000	\$2,281,000	\$0	\$0	\$0	0.0
Increase/-Decrease from FY 2024-25	\$239,637	\$239,637	\$0	\$0	\$0	0.0
Percentage Change	11.7%	11.7%	n/a	n/a	n/a	n/a
FY 2025-26 Executive Request	\$2,072,110	\$2,072,110	\$0	\$0	\$0	0.0

Office of the Governor, Special Purpose, Payments to OIT						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Staff Rec. Above/-Below Request	\$208,890	\$208,890	\$0	\$0	\$0	0.0

CORE Operations

This line item funds the Office’s share of costs associated with the operations and maintenance of the Colorado Operations Resource Engine (CORE). The funding covers these costs for the Governor’s Office (including the Colorado Energy Office), Lieutenant Governor’s Office, Office of State Planning and Budgeting, and Office of Economic Development and International Trade. The Governor’s Office of Information Technology receives appropriations for this purpose in its budgetary division.

Statutory Authority: Section 24-30-209, C.R.S.

Recommendation: The staff recommendation is summarized in the table below.

Office of the Governor, Special Purpose, CORE Operations						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$49,704	\$5,950	\$7,211	\$29,513	\$7,030	0.0
Total FY 2024-25	\$49,704	\$5,950	\$7,211	\$29,513	\$7,030	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$49,704	\$5,950	\$7,211	\$29,513	\$7,030	0.0
Centrally appropriated items	73,256	92,852	0	-19,596	0	0.0
Total FY 2025-26	\$122,960	\$98,802	\$7,211	\$9,917	\$7,030	0.0
Increase/-Decrease from FY 2024-25	\$73,256	\$92,852	\$0	-\$19,596	\$0	0.0
Percentage Change	147.4%	1,560.5%	0.0%	-66.4%	0.0%	n/a
FY 2025-26 Executive Request	\$122,960	\$98,802	\$7,211	\$9,917	\$7,030	0.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Indirect Cost Assessment

This line item provides funding for the Office’s portion of indirect cost collections.

Statutory Authority: Colorado Fiscal Rules #8-3 and Section 24-75-1401, C.R.S.

Recommendation: The staff recommendation is summarized in the table below.

Office of the Governor, Special Purpose, Indirect Cost Assessment						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$6,317	\$0	\$0	\$6,317	\$0	0.0

Office of the Governor, Special Purpose, Indirect Cost Assessment						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Total FY 2024-25	\$6,317	\$0	\$0	\$6,317	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$6,317	\$0	\$0	\$6,317	\$0	0.0
Indirect cost assessment	-1,644	0	0	-1,644	0	0.0
Total FY 2025-26	\$4,673	\$0	\$0	\$4,673	\$0	0.0
Increase/-Decrease from FY 2024-25	-\$1,644	\$0	\$0	-\$1,644	\$0	0.0
Percentage Change	-26.0%	n/a	n/a	-26.0%	n/a	n/a
FY 2025-26 Executive Request	\$4,673	\$0	\$0	\$4,673	\$0	0.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

(2) Office of the Lieutenant Governor

The Office of the Lieutenant Governor directly oversees the Colorado Commission of Indian Affairs, Serve Colorado (commission on community service), and other initiatives. The Lieutenant Governor temporarily takes the Governor's place if the Governor is out of Colorado or is unable to perform his/her duties.

Office of the Lieutenant Governor						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$1,527,364	\$1,526,180	\$1,184	\$0	\$0	10.0
Total FY 2024-25	\$1,527,364	\$1,526,180	\$1,184	\$0	\$0	10.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$1,527,364	\$1,526,180	\$1,184	\$0	\$0	10.0
Prior year budget actions	-32,676	-32,676	0	0	0	0.0
Centrally appropriated items	61,384	61,384	0	0	0	0.0
Total FY 2025-26	\$1,556,072	\$1,554,888	\$1,184	\$0	\$0	10.0
Increase/-Decrease From FY 2024-25	\$28,708	\$28,708	\$0	\$0	\$0	0.0
Percentage Change	1.9%	1.9%	0.0%	0.0%	0.0%	0.0%
FY 2025-26 Executive Request	\$1,556,072	\$1,554,888	\$1,184	\$0	\$0	10.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Decision Items

There are no decision items that impact only this division.

Line Item Detail

Administration

This line item provides funding for the personal services and operating expenses of the Lieutenant Governor's office.

Statutory Authority: Article IV of the Colorado Constitution and Sections 1-11-201 to 204, and 26-6.5-109, C.R.S.

Recommendation: The staff recommendation is summarized in the table below.

Office of the Lieutenant Governor, Administration						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						

Office of the Lieutenant Governor, Administration						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB 24-1430 (Long Bill)	\$530,694	\$530,694	\$0	\$0	\$0	4.0
Total FY 2024-25	\$530,694	\$530,694	\$0	\$0	\$0	4.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$530,694	\$530,694	\$0	\$0	\$0	4.0
Centrally appropriated items	25,205	25,205	0	0	0	0.0
Total FY 2025-26	\$555,899	\$555,899	\$0	\$0	\$0	4.0
Increase/-Decrease from FY 2024-25	\$25,205	\$25,205	\$0	\$0	\$0	0.0
Percentage Change	4.7%	4.7%	n/a	n/a	n/a	0.0%
FY 2025-26 Executive Request	\$555,899	\$555,899	\$0	\$0	\$0	4.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Discretionary Fund

This line item provides discretionary funding for the Lieutenant Governor’s Office. Pursuant to Section 24-9-105, C.R.S., elected officials may be provided specified amounts to expend as each elected official sees fit. The specified maximum amount for the Lieutenant Governor is \$5,000, and is subject to appropriation by the General Assembly. Traditionally the fund has been used to purchase items like flowers for funerals of dignitaries, cards, official photos, and other items not covered in the Administration line item of the Lieutenant Governor’s Office.

Statutory Authority: Section 27-9-105, C.R.S.

Request: The Department requests continuation funding.

Recommendation: Staff recommends continuation funding.

Commission of Indian Affairs

This line item provides funding for the Commission of Indian Affairs. The Commission acts as a liaison between Native Americans and the State government, with the goal of providing easy access to government. It focuses on Indian health, child welfare, water rights, economic development, and other issues identified by Colorado's Native American population.

Statutory Authority: Section 27-9-105, C.R.S.

Recommendation: The staff recommendation is summarized in the table below.

Office of the Lieutenant Governor, Commission of Indian Affairs						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$525,868	\$524,684	\$1,184	\$0	\$0	4.0
Total FY 2024-25	\$525,868	\$524,684	\$1,184	\$0	\$0	4.0

Office of the Lieutenant Governor, Commission of Indian Affairs						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$525,868	\$524,684	\$1,184	\$0	\$0	4.0
Centrally appropriated items	25,205	25,205	0	0	0	0.0
Prior year budget actions	-32,676	-32,676	0	0	0	0.0
Total FY 2025-26	\$518,397	\$517,213	\$1,184	\$0	\$0	4.0
Increase/-Decrease from FY 2024-25						
Percentage Change	-1.4%	-1.4%	0.0%	n/a	n/a	0.0%
FY 2025-26 Executive Request						
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Commission on Community Service

The Commission was created pursuant to the federal National and Community Service Trust Act of 1993 and allows the state to receive grants, allotments, and service positions under the act. The Commission consists of at least 15, but not more than 20, members and is charged with implementing programs and administering funds received from the corporation for national and community service. The unit was established in the Office of the Lieutenant Governor H.B. 18-1324 (Codify Governor's Commission On Community Service).

Statutory Authority: Sections 24-20-501 through 503, C.R.S.

Recommendation: The staff recommendation is summarized in the table below.

Office of the Lieutenant Governor, Commission on Community Service						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$467,927	\$467,927	\$0	\$0	\$0	2.0
Total FY 2024-25	\$467,927	\$467,927	\$0	\$0	\$0	2.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$467,927	\$467,927	\$0	\$0	\$0	2.0
Centrally appropriated items	10,974	10,974	0	0	0	0.0
Total FY 2025-26	\$478,901	\$478,901	\$0	\$0	\$0	2.0
Increase/-Decrease from FY 2024-25						
Percentage Change	2.3%	2.3%	n/a	n/a	n/a	0.0%
FY 2025-26 Executive Request						
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

(3) Office of State Planning and Budgeting

The Office of State Planning and Budgeting (OSPB) develops executive branch budget requests, reviews, and analyzes departmental expenditures, and prepares quarterly revenue and economic estimates for the state. Additionally, the Office implements the Results First initiative, a cost benefit analysis model for determining the monetary value of state policies and programs, and the Pay for Success initiative to fund projects that improve outcomes for Colorado underserved youth and their families.

Governor - Lieutenant Governor - State Planning and Budgeting						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$24,933,943	\$2,188,187	\$20,750,000	\$1,995,756	\$0	30.9
Total FY 2024-25	\$24,933,943	\$2,188,187	\$20,750,000	\$1,995,756	\$0	30.9
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$24,933,943	\$2,188,187	\$20,750,000	\$1,995,756	\$0	30.9
Prior year budget actions	-42,097	-198,791	0	156,694	0	-3.0
OSPB R1 Manage emergency funds	118,481	118,481	0	0	0	1.0
Total FY 2025-26	\$25,010,327	\$2,107,877	\$20,750,000	\$2,152,450	\$0	28.9
Change from FY 2024-25	\$76,384	-\$80,310	\$0	\$156,694	\$0	-2.0
Percentage Change	0.3%	-3.7%	0.0%	7.9%	0.0%	-6.5%
FY 2025-26 Executive Request	\$25,000,991	\$2,098,541	\$20,750,000	\$2,152,450	\$0	28.9
Staff Rec. Above/-Below Request	\$9,336	\$9,336	\$0	\$0	\$0	0.0

Decision Items

→ OSPB R1 Manage emergency funds

Request

The Department requests continuing 2.0 FTE provided to manage emergency funds. The request costs \$299,470 General Fund and 2.0 FTE. The FY 2023-24 Long Bill included term-limited funding for 4.0 FTE to address audit findings about OSPB's management of the Disaster Emergency Fund. The term-limited funding expires in FY 2026-27, but the Governor's responsibilities to manage disaster funds continue.

The General Assembly delegates significant budget authority to the Governor to respond to disasters and demands reporting on the use of the funds to ensure accountability. This request ensures OSPB has resources to respond to the information needs of the General Assembly. In addition, OSPB believes the funding improves the Governor's management of disasters.

Disaster funding procedures

Pursuant to statute, "funds to meet disaster emergencies shall always be available".⁶ The first recourse is money already appropriated to state and local agencies. If the Governor finds the demands unreasonably great, the Governor may make additional funds available from the Disaster Emergency Fund.⁷ If the Governor determines the balance of the Disaster Emergency Fund is insufficient, the Governor may transfer money into the fund from appropriations for other purposes⁸ or from the State Emergency Reserve.⁹

The State Emergency Reserve equals three percent of the state budget less bonded debt service, pursuant to TABOR (Article X, Section 20 of the State Constitution). The Long Bill annually designates the funds that make up the State Emergency Reserve.

To transfer money to the Disaster Emergency Fund, the Governor declares a disaster and issues an executive order. The executive order indicates the nature of the disaster, the area threatened, and the conditions that brought it about or that make it possible to end the disaster emergency. In addition to authorizing fund transfers, a disaster declaration activates emergency response powers of the executive branch prescribed in statute.¹⁰ A disaster declaration ends when the Governor terminates it, after 30 days, or by joint resolution of the General Assembly.

Most federal funds for disasters go directly to the responding agencies. The Disaster Emergency Fund often provides the state match for federal funds. Sometimes federal money gets reimbursed to the Disaster Emergency Fund. This usually happens when the Disaster Emergency Fund pays before federal funds become available. The Governor may use federal funds reimbursed to the Disaster Emergency Fund to repay funds transferred into the Disaster Emergency fund.

Reporting requirements

The Office of State Planning and Budgeting (OSPB) must submit [quarterly reports](#) detailing:

- amounts and sources of money transferred to the Disaster Emergency Fund
- encumbrances for disasters
- state agencies that received funds
- expenditures by agency
- breakdowns of the expenditures

In addition, OSPB responds on short notice to ad hoc questions from legislators about disaster spending.

⁶ Section 24-33.5-706 (1), C.R.S.

⁷ Section 24-33.5-706 (4)(a), C.R.S.

⁸ Section 24-33.5-706 (4)(b), C.R.S.

⁹ Section 24-77-104 (6)(b), C.R.S.

¹⁰ Section 24-33.5-704, C.R.S.

The State Auditor issued a performance audit of the Disaster Emergency Fund in December 2022 and conducts financial audits of the fund every two years.

Problems with reporting

The December 2022 performance audit found problems with:

- Unclosed disasters – Leaving inactive disasters unclosed needlessly ties up money in the Disaster Emergency Fund, making the money unavailable for other disasters and leading to more transfers into the fund.
- Reporting errors – Reported encumbrances, transfers, and expenditures did not match CORE, making the reports unreliable for decision making.
- Incomplete information – The reports omitted almost \$4 million in transfers for wildfires, making them unreliable for decision making.
- Lack of policies and procedures – OSPB lacked documentation and guidance on how to prepare the reports.
- Lack of quality control – OSPB lacked procedures for checking the data and ensuring adequate documentation of the data and methods used in the calculations.
- Inconsistent and incoherent reporting – The reports used multiple and inconsistent names for the same disasters and did not sum revenues and expenditures by disaster, severely limiting their usefulness.

Clearly, the legislature was not getting trustworthy information on disaster funding. It is reasonable to question if the Governor was getting useful data to make informed decisions.

OSPB's response

In response to the State Auditor's findings, OSPB requested and received 4.0 FTE in FY 2023-24. The original request was for 4.0 FTE on-going. The JBC staff recommended 2.0 FTE on a term-limited basis to address extraordinary work related to COVID and 2.0 FTE on-going for more typical disaster funds management. Rep. Sirota suggested making all of the positions term-limited, "just to see if this is still needed after two years". The JBC approved 4.0 FTE term-limited for two years on a vote of 5-1 with Senator Bridges expressing preference for the staff recommendation.

A follow up by the State Auditor in November 2023 determined that all the audit recommendations were implemented.

The FY 2025-26 request includes an annualization to eliminate the \$428,325 General Fund and 4.0 FTE that were provided in *FY 23-24 BA1 Emergency funds reporting staff*. It then includes a request for \$299,470 General Fund to continue funding for 2.0 of the FTE in *R1 Manage emergency funds*.

Recommendation

Staff recommends \$141,804 General Fund for 1.0 FTE. The General Assembly needs reliable reporting on disaster funds to track how the Governor is using the delegated budget authority to respond to disasters and to make informed decisions when planning for future potential

disaster spending. The audit identified concerning errors and omissions with OSPB's reporting on disaster funds. OSPB identified the root cause as a resource issue. Some level of staff to manage the Disaster Emergency Fund and respond to the legislature's information needs seems reasonable.

However, the JBC staff has a hard time getting to the requested 2.0 FTE. This is just one fund. Managing the fund requires significant coordination with other state agencies, local governments, responders, and the federal government. Sometimes the fund has complex and nonstandard encumbrances, revenues, and expenditures. Effective reporting on the fund requires technical knowledge of accounting entries in CORE, multiple checks to identify and correct errors, and an understanding of the policy concerns to anticipate questions and summarize information in useful ways. All that said, it is just one fund.

The recommendation is based on a Controller II salary in recognition of the technical accounting skills required. The request proposed a Controller II and a Budget and Policy Analyst IV. The request proposed the funding for the Controller II in the Office of the Governor, but the recommendation puts it in OSPB. The statutes charge OSPB with the responsibility for reporting related to the Disaster Emergency Fund.

The JBC staff asked OSPB if the reporting should get moved in statute to the Office of the State Controller. The source of data for the reporting is CORE and the State Controller already has staff experienced with synthesizing data from CORE for policy makers. There might be economies of scale. Policy makers might have more trust in data directly from the State Controller, rather than filtered through OSPB.

OSPB countered that the Governor is responsible for responding to disasters. Managing disasters involves policy decisions and goes beyond just reporting. Developing expertise in OSPB with managing the Disaster Emergency Fund helps inform the Governor's policy decisions. These arguments convinced the JBC staff not to recommend moving the reporting requirements.

The JBC staff continues to believe that the current statutory construction of OSPB presents challenges. From time to time the legislature expects things from OSPB that require technical skills and experience, such as managing the Disaster Emergency Fund and reporting on it. Governors do not always hire people with the background to perform these functions. Even when governors hire the right people, OSPB historically struggles with turnover, especially across administrations. To the extent OSPB documents the necessary procedures for accurate disaster reporting, new administrations do not always trust or value the information left behind by previous administrations. There is some risk that, even with this funding, OSPB might return to inaccurate and inadequate reporting on disasters in just a few years. The problem is not entirely a resource issue. The statutory biennial financial auditing of the Disaster Emergency Fund provides some assurance for the legislature that it can get accurate information about disaster funding. Converting some of the OSPB staff from at-will policy analysts to classified career professionals might provide additional improvements in OSPB's ability to consistently and accurately report on things like disaster funding.

Finally, the recommendation includes funding for benefits, such as health, life, and dental insurance and short-term disability, when the JBC's common policy normally skips these costs in the first year for new FTE. This is not a new position. The recommendation continues a filled position that would otherwise end in FY 2025-26. Therefore, the JBC staff expects OSPB will incur benefit costs for the entire year and there will be no ramp-up period or vacancy savings to cover the benefits.

OSPB R1 Manage emergency funds				
Item	Request		Recommendation	
	General Fund	FTE	General Fund	FTE
Annualize FY 23-24 BA1 Emergency funds reporting staff	-\$428,325	-4.0	-\$428,325	-4.0
OSPB R1 Continue emergency reporting staff				
Office of the Governor				
Administration of Governor's Office and Residence	\$139,130	1.0	\$0	0.0
Health, Life, and Dental	28,056		12,420	
Short-term Disability	327		73	
Paid Family and Medical Leave Insurance	982		466	
Unfunded Liability AED Payments	21,830		10,364	
Office of State Planning and Budgeting				
Personal Services	108,410	1.0	117,201	1.0
Operating Expenses	735		1,280	
Subtotal - R1	\$299,470	2.0	\$141,804	1.0
Net Change	-\$128,855	-2.0	-\$286,521	-3.0

Line Item Detail

Personal Services

This line item provides funding for the personal services costs for the Office.

Statutory Authority: Sections 24-37-103 to 304, C.R.S.

Request: The Department requests an increase for *R1 Manage emergency funds* and annualizations of prior year budget actions, in addition to continuation funding. The annualizations are for the end of term-limited FTE provided in *FY 23-24 BA1 Emergency funds reporting staff* and prior year salary survey and step pay.

Recommendation: The staff recommendation is summarized in the table below.

Office of State Planning and Budgeting, Personal Services						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$4,058,110	\$2,155,240	\$0	\$1,902,870	\$0	26.9
Total FY 2024-25	\$4,058,110	\$2,155,240	\$0	\$1,902,870	\$0	26.9
FY 2025-26 Recommended Appropriation						

Office of State Planning and Budgeting, Personal Services						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation	\$4,058,110	\$2,155,240	\$0	\$1,902,870	\$0	26.9
OSPB R1 Manage emergency funds	117,201	117,201	0	0	0	1.0
Prior year budget actions	-38,047	-194,741	0	156,694	0	-3.0
Total FY 2025-26	\$4,137,264	\$2,077,700	\$0	\$2,059,564	\$0	24.9
Increase/-Decrease from FY 2024-25	\$79,154	-\$77,540	\$0	\$156,694	\$0	-2.0
Percentage Change	2.0%	-3.6%	n/a	8.2%	n/a	-7.4%
FY 2025-26 Executive Request	\$4,128,473	\$2,068,909	\$0	\$2,059,564	\$0	24.9
Staff Rec. Above/-Below Request	\$8,791	\$8,791	\$0	\$0	\$0	0.0

Operating Expenses

This line item provides funding for the operating costs for the Office.

Statutory Authority: Sections 24-37-103 to 304, C.R.S.

Request: The Department requests an increase for *R1 Manage emergency funds* and annualizations of prior year budget actions, in addition to continuation funding. The annualizations are for the end of term-limited FTE provided in *FY 23-24 BA1 Emergency funds reporting staff*.

Recommendation: The staff recommendation is summarized in the table below.

Office of State Planning and Budgeting, Operating Expenses						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$109,471	\$32,947	\$0	\$76,524	\$0	0.0
Total FY 2024-25	\$109,471	\$32,947	\$0	\$76,524	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$109,471	\$32,947	\$0	\$76,524	\$0	0.0
OSPB R1 Manage emergency funds	1,280	1,280	0	0	0	0.0
Prior year budget actions	-4,050	-4,050	0	0	0	0.0
Total FY 2025-26	\$106,701	\$30,177	\$0	\$76,524	\$0	0.0
Increase/-Decrease from FY 2024-25	-\$2,770	-\$2,770	\$0	\$0	\$0	0.0
Percentage Change	-2.5%	-8.4%	n/a	0.0%	n/a	n/a
FY 2025-26 Executive Request	\$106,156	\$29,632	\$0	\$76,524	\$0	0.0
Staff Rec. Above/-Below Request	\$545	\$545	\$0	\$0	\$0	0.0

Economic Forecasting Subscriptions

This line item provides funding for the purchase of economic models, subscriptions, and software used for revenue and economic forecasting.

Statutory Authority: Sections 24-37-103 to 304, C.R.S.

Request: The Department requests continuation funding.

Recommendation: Staff recommends continuation funding.

Evidence-based Policymaking Evaluation and Support

This line item funds grants to state agencies to evaluate outcomes of programs funded with money from the Marijuana Tax Cash Fund and to support proper program implementation.

Statutory Authority: Sections 24-37-103 to 304 and 24-37-401, et seq., C.R.S.

Request: The Department requests continuation funding.

Recommendation: Staff recommends continuation funding.

Infrastructure Investment and Jobs Act Match Fund

This line item funds technical planning and grant writing assistance to local governments and state agencies competing for federal funding derived from the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reductions Act (IRA). Also, it helps meet matching requirements for the federally funded projects. The source of money is General Fund that was deposited in the Infrastructure Investment and Jobs Act Cash Fund. The legislature transferred to the fund \$80,250,000 in FY 2021-22 and \$84,000,000 in FY 2023-24, for a total of \$164,250,000 General Fund. Any unexpected money transfers back to the General Fund on June 30, 2028.

Request: The Department requests continuation funding.

Recommendation: Staff recommends continuation funding. The timing of expenditures by fiscal year is uncertain. The Department cannot spend more than the amount in the fund.

Reducing this program was one of the budget balancing options identified by the JBC staff at the briefing. OSPB reports that \$6.2 million of the fund is not yet obligated and could be transferred to the General Fund.

However, OSPB expects to use all of the remaining funds on upcoming federal grant cycles. OSPB argues that the state funds generate a 10:1 return on investment based on the federal grants awarded so far. It is impossible for the JBC staff to know if grantees would have identified alternative sources to match federal funding without these state dollars, or if they would have succeeded in winning the federal grants. According to OSPB, "Due in large part to the funding from the Cash Fund, Colorado has gone from the lower end of federal funding to one of the national leaders in drawing down IIJA and IRA funds. Colorado is 12th in the Country for receiving discretionary or competitive IIJA and IRA funds. Of those top 12 states, Colorado is #2 in receipt of these funds per person."

Staff is not recommending a transfer from the fund. Transferring the money would provide only one-time budget relief and *might* directly or indirectly reduce the amount of federal funds awarded to Colorado. Transferring the money would require a bill.

(4) Office of Economic Development and International Trade

The Office of Economic Development and International Trade (OEDIT) assists in strengthening Colorado's prospects for long-term economic growth by providing broad-based support to businesses. The Office's support services include business funding and incentives, promotion of creative industries, international trade assistance, tourism promotion, minority business assistance, key industry promotion (including advanced industries, aerospace, and health and wellness), and film, television, and media industry development.

Economic Development Programs						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$63,673,143	\$24,736,225	\$36,170,404	\$341,500	\$2,425,014	74.4
Other Legislation	\$2,039,892	\$766,588	\$1,273,304	\$0	\$0	6.6
Total FY 2024-25	\$65,713,035	\$25,502,813	\$37,443,708	\$341,500	\$2,425,014	81.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$65,713,035	\$25,502,813	\$37,443,708	\$341,500	\$2,425,014	81.0
Centrally appropriated items	754,185	452,879	301,306	0	0	0.0
OEDIT R4 Admin funds	115,753	-1,735,287	700,000	1,151,040	0	0.0
Indirect cost assessment	-8,232	0	-8,232	0	0	0.0
OEDIT R1 GF inc global bus dev	0	0	0	0	0	0.0
OEDIT R2 MBO and Leading Edge	0	0	0	0	0	0.0
OEDIT R3 CO aerospace invest	0	0	0	0	0	0.0
OEDIT R7 Opportunity Next transfer	0	0	0	0	0	0.0
OEDIT R8 Advanced Industries transfers	0	0	0	0	0	0.0
OEDIT BA1 CBO funding	0	0	0	0	0	0.0
OEDIT R5 Reduce skills advance approp	-3,000,000	-3,000,000	0	0	0	0.0
Prior year budget actions	-1,497,000	-297,000	-1,200,000	0	0	-2.7
Prior year legislation	-968,670	-95,366	-873,304	0	0	-0.5
OEDIT R6 One percent GF reduce	-235,406	-235,406	0	0	0	0.0
Technical adjustment	-57,842	86,035	-143,877	0	0	0.0
NP1 Fleet lease	-8,466	-8,466	0	0	0	0.0
Total FY 2025-26	\$60,807,357	\$20,670,202	\$36,219,601	\$1,492,540	\$2,425,014	77.8
Increase/-Decrease From FY 2024-25	-\$4,905,678	-\$4,832,611	-\$1,224,107	\$1,151,040	\$0	-3.2
Percentage Change	-7.5%	-18.9%	-3.3%	337.1%	0.0%	-4.0%
FY 2025-26 Executive Request	\$65,209,506	\$23,534,685	\$37,019,601	\$2,230,206	\$2,425,014	79.8
Staff Rec. Above/-Below Request	-\$4,402,149	-\$2,864,483	-\$800,000	-\$737,666	\$0	-2.0

Decision Items

→ R2 Minority Business Office and Leading Edge Funding

Request

The Department requests an increase of \$250,000 General Fund for FY 2025-26. Of that, \$175,000 is one-time money and \$75,000 is ongoing. In FY 2025-26, the MBO would receive all \$175,000 one-time General Fund along with \$50,000 ongoing General Fund. Leading Edge would receive \$25,000 ongoing General Fund starting in FY 2025-26. The Department has indicated that this is an ‘evidence-informed’ request.

Recommendation

Staff recommends denial of the request.

Analysis

What are the Minority Business Office and Leading Edge programs?

The Minority Business Office (MBO) is a statutorily created office within OEDIT with the goal of increasing economic opportunities for minority, women, and veteran entrepreneurs across the state. The MBO works with public, private, and government resources to help entrepreneurs start businesses, to help existing businesses expand and scale up, and to help connect entrepreneurs with resources and other entrepreneurs inside and outside of Colorado. This primarily consists of providing educational resources and trainings, networking events, and guidance on how to find and access other sources of public and private resources.

The Leading Edge Program is a program within the Small Business Development Center that provides training and education to start-up and existing small business owners. This program has been training and educating small business owners in Colorado since 1989 on finance, marketing, management, and business plan creation. These trainings take the form of 6-10 week intensive programs that teach entrepreneurs everything about starting and maintaining a small business, from developing a business plan to filing taxes to accessing capital to creating an exit plan. OEDIT reports that over the last 10 years, the Program has run 6,353 training sessions for 97,626 attendees. Additionally, from 2014 to 2023 the Leading Edge program has supported the creation and retention of over 200 jobs, 49 business starts, \$4.6 million in sales increase, and \$5.3 million in capital creation.

How would this funding be used?

In the Leading Edge Program, the \$25,000 ongoing General Fund would be used to increase its federal Small Business Association (SBA) grant match to a 1:1 rate.

In the MBO, the funding would be allocated in the following way:

- \$50,000 for bilingual consulting
 - Consultants would work with business owners and entrepreneurs who primarily speak a language that is not English to provide training and education
 - 670 hours at \$75/hour
- \$85,000 for bilingual courses for entrepreneurs
 - These courses would educate and train business owners and entrepreneurs on existing OEDIT resources and programs
 - The funding would support the creation of three courses
 - Introductory Course on OEDIT Programs - \$27,000
 - SBIR Topic Research - \$25,000
 - Pro Bono Small Business Legal Services - \$25,000
 - The remaining \$8,000 would go toward subject matter experts to create the courses
- \$25,000 for MBO Roundtables and Network Building
 - MBO would host and travel to at least 10 roundtables around the state
- \$20,000 for Diversity Consultant Training
 - This would fund training for MBO consultants to learn about implicit biases, stereotypes, and cultural sensitivities
- \$50,000 for Technical Assistance Providers and Trusted Community Partnerships
 - This funding would support 10 scholarships of \$5,000 each for minority-, women- and veteran-owned businesses to gather, learn, and network.

Evidence Discussion and Recommendation

The Department has indicated that this is an “evidence-informed” request. Evidence-informed means that the best available research evidence supports the effectiveness of the program or practice, as demonstrated by at least one quality evaluation that shows improvement over time. A program or practice is defined as a defined intervention or approach with replicable elements that is hypothesized to improve specified outcomes for a clearly defined target population.

Staff agrees with this evidence designation. Small Business Development Centers (SBDC) is a program that is replicable with sufficient investment from a state, targets a specific population, and is hypothesized to improve economic impact and/or conditions. Additionally, staff found academic studies, including an old but still relevant study¹¹, that support funding SBDCs because of the economic impact they have on an economy.

While staff agrees that funding SBDCs is likely a worthwhile investment, staff does not believe that this funding rises to the level of ‘need-to-have’. In a different budget environment, staff would likely recommend funding this request, however the state is not currently in a different budget environment, so staff recommends denial of the request.

¹¹ <https://libjournals.mtsu.edu/index.php/jsbs/article/view/534/511>

→ R3 Colorado Aerospace Ecosystem Investment

Request

The Department requests an increase of \$100,000 General Fund in FY 2025-26 and ongoing to “enable the Aerospace and Defense Industry Manager to attend exhibitions, conferences, and industry events to represent Colorado and develop stronger relationships between Colorado aerospace companies and new domestic and international markets.” The Department has indicated that this is an evidence-informed request.

Recommendation

Staff recommends denial of the request.

Analysis

What would the requested amount fund?

The Aerospace and Defense Industry Manager is located within the Global Business Development office in OEDIT, and “strives to represent Colorado and leverage sector-specific opportunities for the State at airshows, exhibitions, symposiums, and other industry events”. As far as staff can surmise, this position is solely focused on marketing and promoting Colorado to aerospace and defense companies with the goal of getting them to open locations in Colorado, start businesses in Colorado, and invest in Colorado.

Part of those responsibilities include attending international and domestic trade shows and exhibitions along with Colorado companies to recruit businesses and sales to Colorado.

OEDIT reports that the funding for this request would go toward the following four initiatives:

- 1 \$40,000 – International Aerospace and Defense Exhibitions.
 - This funding would support at least four Colorado-based aerospace and defense industry companies to attend a key international exhibition each year.
- 2 \$20,000 – Colorado Association of Aeronautics and Astronautics Symposium Attendance
 - This funding would purchase a booth at the symposium.
- 3 \$20,000 – US Air Force, US Space Force War and Air and Space Forces Association War Symposium
 - This funding would enable GBC to host 10 Colorado companies at this symposium.
- 4 \$20,000 – Sponsor and Support Colorado-based Aerospace and Defense Events
 - This funding would help OEDIT increase support for Colorado-based industry events hosted by organizations such as: American Institute of Aeronautics and Astronautics; Colorado Space Business Roundtable Roundup; Aerospace Day on the Capitol; and Unmanned Aerospace System.

How does Colorado compare?

According to data from the Aerospace Industries Association, in 2023, Colorado employs 31,930 people in the aerospace industry, resulting in total revenues of \$10.7 billion and total state and local tax receipts of \$336.0 million. Colorado is above the national average in tax dollars generated per employee but below the national average in revenue generated per employee. Overall, Colorado is middle of the pack economically when compared to the other 49 states.

OEDIT reports that the aerospace and defense industry has won a total of \$22.0 billion in federal contracts, that Colorado's military bases generate \$12.5 billion in revenue, and federal labs generate \$3.4 billion in revenue.

OEDIT contends that investment in the budget for the Aerospace and Defense Industry Manager would help to generate more interest in the state as a place to do business, and ultimately bring more revenue and tax receipts to the state.

Evidence Discussion and Recommendation

The Department has indicated that this is an “evidence-informed” request. Evidence-informed means that the best available research evidence supports the effectiveness of the program or practice, as demonstrated by at least one quality evaluation that shows improvement over time. A program or practice is defined as a defined intervention or approach with replicable elements that is hypothesized to improve specified outcomes for a clearly defined target population.

Staff feels that this request is ineligible. First, the request is not for a program or practice. This is not an intervention or approach that would improve outcomes. An outcome is a measure of what a program or practice is supposed to improve for the target population. The Department has claimed that there would be outputs such as the number of new businesses and jobs. These are not outcomes. As such, this is not a program or practice and is ineligible for an evidence designation.

Staff agrees in principal that a greater ability to market and promote an industry will likely lead to more business and more revenue from that industry. Additionally, understands that aerospace and defense is an important industry in Colorado. However, staff believes that spending General Fund on marketing and promotion in a budget climate like the one Colorado is currently in is not a prudent use of General Fund. While there may be long-term benefits and favorable returns on this investment, a request for this funding should wait until the budget is more stable. For this reason, staff recommends denial of the request.

→ R4 Administrative Funds

Request

The Department requests an increase of \$1,888,706 reappropriated funds to establish an indirect cost plan within OEDIT.

Recommendation

Staff recommends denial of additional resources for administrative costs and recommends approval of an alternate indirect cost recovery plan than what was proposed by OEDIT. A detailed discussion of staff's recommendations begins on page 45 of this document.

Analysis

Staff views this request as two separate questions. The first question is, "Does OEDIT need more resources for their administrative costs?" The second question is, "Does OEDIT need a formalized indirect cost recovery plan?" Staff will strive to answer both of those questions here.

Does OEDIT need more resources for their administrative costs?

OEDIT's primary reason for requesting additional administrative funding is their belief that their administration is and has always been underfunded. They claim this dates back to 1987 when the Office of Business Development was moved out of the Department of Local Affairs and into the Governor's Office, and that the administrative funding gap has expanded ever since.

They further argue that the increase in staff has been dramatic in the past 3 years, which is true. The number of FTE appropriated to OEDIT has increased from 65.6 in FY 2022-23 to 81.0 in the current fiscal year. This represents a 23.5 percent increase.

OEDIT claims that as a result of the increase in FTE, the administrative staff is stretched beyond capacity and burnout is becoming an issue.

This is the extent of the information that has been provided to staff. Staff cannot confidently recommend additional resources for OEDIT's administration, because the only information staff has is an increase in appropriated FTE, which staff found independent of OEDIT. Typically, if an agency needs more administrative funding, a request is accompanied by information such as: workload data over time; vacancy rate over time; turnover rate over time; and legislatively mandated new responsibilities; along with any other information the agency feels is pertinent to show that they have a funding shortfall.

Because OEDIT provided none of that information, staff does not recommend increasing funding for administration.

What are indirect costs?

Indirect costs are, in a basic sense, a budgetary mechanism used to reduce the burden of administrative costs on the General Fund. The general assumption is that the General Fund should be the first payer of administrative overhead in a department, but there is also a need

for proportional contributions to overhead costs based on the type of funding a department receives and spends. Departments incur overhead costs for FTE and programming, but not all FTE and programming are paid for using General Fund. As a result of this reality, indirect costs attempt to relieve the General Fund of the responsibility of paying for all overhead costs.

Indirect costs come into play when trying to “charge” different fund sources their fair share of the administrative costs. These costs then appear in administrative line items as reappropriated funds and “offset” General Fund that would otherwise need to be appropriated for overhead costs.

Common Methodology vs. Proposed Methodology

There are two commonly used methodologies for recovering indirect costs across state agencies. The first is a rate-based methodology applied to federal funds. The rate at which agencies can collect federal funds is typically set by the federal agency that disburses the funds, and state agencies are allowed to use those collections to offset General Fund.

The second methodology is amount-based and dependent on the number of FTE in a program. This methodology assumes that central services provided by the agency are based on the number of staff – the larger the program, the more accounting, HR, and payroll services that are required. This is generally accepted as the most ‘fair’ way to collect indirect costs from cash funds. Cash fund collections likewise offset General Fund in the budget as a way to save General Fund overall.

The methodology that OEDIT has proposed is to charge a flat fee to every cash fund dollar and General Fund dollar that comes into the Office’s funds. OEDIT reports that they need a 3.0 percent fee on those dollars to adequately cover administrative costs. This percentage, however, is simply the result of choosing the level of funding they need – \$1,888,706 – and then applying an appropriate percentage to all of the cash funds and General Fund that they receive to reach that amount.

Potential Issues with Request

Staff sees a couple of concerning pieces of this request.

- 1 OEDIT is requesting to charge General Fund dollars coming in as part of their methodology. This is strange because General Fund is assumed to be the first payer of administrative costs, and indirect costs are a method to offset and reduce General Fund appropriations.
- 2 OEDIT is not proposing to include any federal funds in their plan. This is strange because in the current year’s (FY 2024-25) budget, OEDIT has been appropriated \$2.4 million informational federal funds. OEDIT has indicated that they do indeed collect indirect costs from the federal funds they receive – which they use to pay for administrative overhead, but they did not include information on the percentages that they are allowed to collect, or the total amount that they collect. Staff does not understand why OEDIT would not include federal funds in their indirect cost plan.
- 3 OEDIT’s current General Fund appropriation in their Administration line item (which staff assumes primarily pays for overhead costs) is \$1.7 million, and this request is for an increase of \$1.9 million reappropriated funds. This would suggest that OEDIT has more

than doubled its FTE in a very short time period. This is not the case though. OEDIT is currently appropriated 81.0 FTE, which has increased 23.5 percent from 65.6 in FY 2022-23, but has not doubled.

OEDIT FTE by Fiscal Year	
Fiscal Year	FTE
FY 2024-25	81.0
FY 2023-24	72.3
FY 2022-23	65.6
FY 2021-22	65.1
FY 2020-21	63.1
FY 2019-20	60.6
FY 2018-19	60.6
FY 2017-18	60.6
FY 2016-17	60.3
FY 2015-16	60.3
FY 2014-15	54.1

- 4 The table below, provided by OEDIT, shows a breakdown by program and fund source of where the reappropriated funds would originate within their budget. What the totals mean is that existing General Fund and cash fund appropriations would be reappropriated to the Administration line item to be used for overhead costs. These are not new General Fund or cash fund dollars, but existing amounts that OEDIT would like to reflect in the Administration line item.

OEDIT claims that no ARPA funds are being backfilled with this request, but staff is suspicious of that claim. Staff finds it interesting that now, as ARPA funds are rolling off, OEDIT is claiming that they need additional administration funding. This is especially true given that they mention in their request document that,

“In FY 2023-24 and FY 2024-25, thanks in part to the availability of term-limited ARPA-SLFRF funds, OEDIT was able to significantly reduce direct distributive cost charges. As the ARPA funds roll off, OEDIT will need to increase cost allocations to programs in order to fund critical administrative functions.”

Division	GF Contribution	CF Contribution	Total
Tourism Office	\$139,583	\$468,000	\$607,583
Creative Industries	\$45,646	\$60,000	\$105,646
Film, TV, and Media	\$25,743	\$15,000	\$40,743
Outdoor Recreation Office	\$22,074	\$0	\$22,074
Business Funding & Incentives	\$318,439	\$23,040	\$341,479
Marketing and Communications	\$40,468	\$0	\$40,468
Rural Opportunity Office	\$18,701	\$0	\$18,701
<u>Business Support</u>			
Minority Business Office	\$20,642	\$0	\$20,642
Small Business Development Center	\$17,562	\$0	\$17,562
Employee Ownership Office	\$4,391	\$0	\$4,391
<u>GBD</u>			
Advanced Industries	\$5,126	\$585,000	\$590,126
Global Business Development	\$71,408	\$0	\$71,408
Aerospace	\$7,883	\$0	\$7,883
TOTAL	\$737,666	\$1,151,040	\$1,888,706

Recommendation Overview

JBC staff has made several recommendations for the Committee, summarized here and described in greater detail below.

- 1 Staff recommends denial of increased resources for administrative overhead.
- 2 Staff recommends implementing an indirect cost plan for OEDIT that uses cash and federal funds to offset General Fund.
- 3 Staff recommends creating a new line item in OEDIT's budget called Informational Indirect Cost Recovery to account for the indirect costs of administering the continuously appropriated cash funds and setting the line with an informational reappropriated funds amount that OEDIT and JBC staff agree on.
- 4 Staff recommends adding an informational federal funds amount to the Administration line item to capture the indirect costs needed to pay for the overhead of administering federally funded programs.

Recommendation Detail

Recommendation 1

Staff recommends denial of increased resources for administrative overhead. If OEDIT were to respond with data and information that shows that they actually need more resources for overhead, and that they are interested in reducing General Fund by offsetting it with cash and federal funds – as indirect costs are intended to work – staff would be inclined to reconsider this recommendation. As it stands right now, however, staff cannot and does not recommend funding additional administrative costs.

Recommendation 2

Staff recommends working with OEDIT to implement an indirect cost plan that uses cash and federal funds to offset General Fund. This is the methodology used by other state agencies, and staff sees no reason why OEDIT should use a unique methodology. Currently, staff does not have all of the necessary information to make a completely accurate recommendation, so the following numbers are a rough draft of what the plan could look like, but staff invites OEDIT to provide additional information so that a true indirect cost plan can be implemented.

OEDIT has provided a good starting point with the information they provided to staff related to the breakdown of the funds in their request in the table above. Staff will use the cash funds amount as the starting point for what the reappropriated funds will be in OEDIT's Administration line item. As a result, the General Fund amount in the Administration line item will be reduced by the same amount. This will provide a General Fund savings of \$1,151,040.

This new reappropriated funds amount in the Administration line item accounts for all of the cash funds that are on-budget. There is also the issue of the cash funds that are off-budget, or continuously appropriated. These funds should also contribute to the indirect cost plan, which will further reduce the General Fund appropriation. OEDIT has informed staff that in FY 2023-24, the agency spent a total of \$52,036,478 from continuously appropriated cash funds. A little more than half of that – \$28,962,728 – was spent from one-time funding and is not associated with a revenue stream. The rest – \$23,073,748 – was spent from funds that are associated with a continuous funding stream. Staff feels that this distinction is important because it means that OEDIT will not necessarily spend \$52.0 million from continuously appropriated cash funds every year. However, staff is more confident that OEDIT will spend somewhere in the neighborhood of \$23.0 million each year from continuously appropriated cash funds. If the same 3.0 percent indirect cost charge is applied to that number, OEDIT might be able to recover an additional \$692,212 cash funds as indirect costs. Again, this would offset and reduce the General Fund appropriation in the Administration line item.

One important thing to note here is that there will always be a General Fund appropriation in the Administration line item because OEDIT has FTE that are supported by General Fund, and so the overhead costs related to those FTE should be paid for using General Fund.

The following table compares the amounts currently reflected in the Administration line item, the amounts reflected if OEDIT's request were approved as is, and the amounts reflected if the Committee were to take staff's recommendation.

Administration Line Item Scenarios					
Scenario	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Current Appropriation	\$1,707,086	\$1,707,086	\$0	\$0	\$0
OEDIT Request	3,723,993	1,835,287	0	1,888,706	0
<i>Difference from FY 24-25</i>	<i>2,016,907</i>	<i>128,201</i>	<i>0</i>	<i>1,888,706</i>	<i>0</i>
Staff Recommendation	1,835,287	684,247	0	1,151,040	0
<i>Difference from FY 24-25</i>	<i>128,201</i>	<i>-1,022,839</i>	<i>0</i>	<i>1,151,040</i>	<i>0</i>

These amounts only include the cash funds that are on-budget and that OEDIT identified. These amounts also assume the 3.0 percent indirect charge that OEDIT has suggested. Typically, indirect costs are charged around 6.0-10.0 percent, so if the Committee approves this recommendation, staff would not be surprised if OEDIT came back to the Committee to adjust the 3.0 percent charge higher. If that were to happen, OEDIT would also need a compelling reason to increase the reappropriated appropriation in the Administration line item to justify additional resources for administrative overhead.

Recommendation 3

Staff recommends creating a new line item in OEDIT's budget called Informational Indirect Cost Recovery to account for the indirect costs of administering the continuously appropriated cash funds and setting the line with an informational reappropriated funds amount that OEDIT and JBC staff agree on. Accounting for indirect costs required to cover the overhead for continuously appropriated cash funds is a little trickier because OEDIT controls how much is spent from these funds in any given year. As a result, staff would have no way to know how much should be recovered from those funds. A simple way to address this would be to create a new line that only includes an informational reappropriated amount. This would identify the amount OEDIT intends to collect for indirect costs from their continuously appropriated cash funds to cover the overhead for programs supported by those funds.

That amount, too, would offset General Fund. Referring back to the table above, we can see that with just the on-budget cash funds, the General Fund appropriation under staff's recommendation would be \$684,247. Including indirect costs from continuously appropriated cash funds would basically offset as much General Fund as possible. As mentioned above, there will always be a small amount of General Fund to cover the overhead costs of FTE funded with General Fund. Staff estimates that the General Fund appropriation in the Administration line item would be somewhere around \$100,000. If this were the case, the creation of the indirect cost plan would reduce General Fund appropriations to OEDIT by approximately \$1.6 million.

Recommendation 4

Staff recommends adding an informational federal funds amount to the Administration line item to capture the indirect costs needed to pay for the overhead of administering federally funded programs. Unlike the indirect costs from cash funds, funding from federal sources typically comes with prescribed percentages of the funds that the state agency can use for administrative purposes. OEDIT claims they are already collecting indirect costs from federal funds, so staff assumes that the inclusion of this amount in the Administration line item would be additive and a formality. With the addition of federal funds into the indirect cost plan, staff expect the levels of cash funds that OEDIT will collect to change according to need. The inclusion of federal funds in the Administration line item would likely not offset any General Fund, because OEDIT is presumably using the indirect recoveries from the federal funds to pay for overhead costs of their federally funded programs. If, however, OEDIT is using some amount of General Fund to pay for overhead costs of federally funded programs, then some General Fund would be offset in the Administration line item.

→ R5 Reductions to Skill Advance Appropriation

Request

The Department requests a two-year reduction to the appropriation to the Colorado First Customized Job Training line item of \$3.0 million in FY 2025-26 and FY 2026-27 and an ongoing \$1.0 million reduction to the same line item starting in FY 2027-28. This line item supports the Skill Advance Program, which consists of five separate programs that provide funding for job skills training.

Recommendation

Staff recommends approval of the request.

Analysis

Background on the Colorado First Customized Job Training Line Item

The Colorado First Customized Job Training program was transferred to the Office of Economic Development from the Department of Local Affairs on July 1, 2000. Since then, it has expanded to include four other job training programs under the umbrella term Skill Advance. The five programs include, as described in OEDIT's Annual Report¹²:

- 1 Colorado First Customized Job Training provides grants to new hires at Colorado companies;
- 2 Existing Industry Customized Job Training provides grants to companies to support the training of existing employees;
- 3 Registered Apprenticeship Support Program provides funding for customized apprenticeship program development and implementation and related technical instruction;
- 4 Workforce Training Innovation Program provides grants for innovative program development and training strategies; and
- 5 Mobile Learning Lab Assistance Program provides grants for mobile learning labs that are shared with colleges throughout the state and the associated program development/training implementation.

Current Appropriation Usage

During staff's budget briefing presentation on December 12, 2024, staff was asked if this appropriation was being utilized and why the Department considered this an appropriate place to reduce General Fund appropriations. Staff is unsure of the answer to this question because in the documents that staff received for the Nov. 1 budget submission, the Department shows that the entire appropriation to the Colorado First Customized Job Training line item is

¹² https://oedit.colorado.gov/sites/coedit/files/documents/FINALAnnualReport_2024_12-19.pdf

transferred to the Department of Higher Education. Presumably, OEDIT manages how and to whom the grant funding is disbursed, but the Department of Higher Education, via the Community College System, handles the actual disbursement of funds.

The Department replied to the Committee’s question as follows:

The appropriation is being spent. With that said, OEDIT believes this program could be better utilized and there is currently a cash fund balance that has accumulated in the post COVID years. In Fiscal Year 2023-2024, between CO First and Existing Industry Training programs, 1,907 people completed training. However, to improve program processes, OEDIT is working with Colorado Community College System and doing a best practices review of programs in peer states. In the meantime, we are able to take a temporary reduction while working on improvements and still maintain program effectiveness.

Similarly, the Committee also asked if any of the funding for Skill Advance was going to technical colleges for skills training. The Department responded that six technical colleges are included in the Skill Advance Program – Aims Community College, CO Mesa University’s CMU Tech, Colorado Mountain College, Emily Griffith Technical College, Pickens Technical College, and Technical College of the Rockies. In FY 2023-24, Pickens Technical College developed a Restaurant Industry Dual Language Training program that “provided capacity building for 35 people from October 2023 to March 2024.”

The Department did not include any amounts provided to those six technical colleges for training programs.

Recommendation

Based on the materials provided to staff, it seems that in FY 2023-24, \$4.5 million in grants were spent to provide training for 2,007 people, which equates to about \$2,242 per person. Staff is unsure if this is an appropriate amount to spend per person for training, but a quick survey of typical amounts spent on training new employees in the private sector shows that companies spend anywhere from \$1,000 to \$1,700 per employee on training.

If these grants are being disbursed in a suboptimal way, then staff feels that an evaluation of best practices – as OEDIT reports it is undertaking – is a good idea. As such, staff recommends approving the request to reduce the Colorado First Customized Job Training line item by \$3.0 million for FY 2025-26 and FY 2026-27 and by \$1.0 million starting in FY 2027-28 and ongoing.

→ R6 1% General Fund Reduction [Legislation Required]

Request

The Department requests a decrease of \$235,406 General Fund for FY 2025-26 and ongoing. This represents a 1.0 percent decrease of all appropriated General Fund in the Office of Economic Development and International Trade.

Recommendation

Staff recommends approval of the request.

Analysis

As part of the effort to reduce General Fund spending and address the budget shortfall, the Governor's Office asked all agencies to identify a 1.0 percent General Fund reduction. OEDIT identified one program that can be eliminated and across the board cuts to all of the other programs within OEDIT.

The program that OEDIT identified is the 'By Colorado App', which was an app created by S.B. 14-166 (Create By Colorado App to Promote Businesses in Colorado) and who's goal was to connect consumers to local businesses and allow businesses to advertise to consumers. OEDIT reports that the app no longer exists, but there is still a General Fund appropriation identified for the program of \$8,029. Removing this app from statute would require legislation.

OEDIT has proposed the remaining reduction to be an across-the-board reduction to several programs within the office. The reductions would be as follows:

Long Bill Line Item	FY25 appropriation	Proposed FY26+ Reduction	Proposed FY26+ Appropriation
Administration	\$1,707,086	\$16,502	\$1,690,584
Global Business Development*	\$4,121,948	\$39,847	\$4,082,101
Office of Outdoor Recreation	\$667,000	\$6,448	\$660,552
Leading Edge Program Grants	\$76,000	\$735	\$75,265
Small Business Development Centers	\$486,465	\$4,703	\$481,762
Colorado Office of Film, Television, and Media	\$750,000	\$7,250	\$742,750
Colorado Promotion - Colorado Welcome Centers	\$250,000	\$2,417	\$247,583
Colorado Promotion - Other Program Costs	\$3,870,000	\$37,411	\$3,832,589
Destination Development Program	\$500,000	\$4,833	\$495,167
EDC - General Economic Incentives & Marketing	\$5,734,298	\$55,433	\$5,678,865
Colorado First Customized Job Training	\$4,500,000	\$43,501	\$4,456,499
Council on Creative Industries	\$1,250,000	\$12,084	\$1,237,916
Rural Jump Start	\$40,491	\$391	\$40,100
Rural Opportunity Office	\$398,384	\$3,851	\$394,533
Total	\$24,351,672	\$235,406	\$24,116,266

→ R7 Opportunity Next Transfer [Requires Legislation]

Request

The Department requests a one-time transfer of \$3,304,500 cash funds from the Universal High School Scholarship Program Cash Fund to the General Fund in FY 2025-26.

Recommendation

Staff recommends approval of the request.

Analysis

Opportunity Next

Opportunity Next Colorado, created through S.B. 23-205 (Universal High School Scholarship Program), is a program that provided scholarships for the 2024-25 academic year to high school graduates who were pursuing an in-demand or high-priority postsecondary pathway. Along with the enacting legislation, \$25.0 million General Fund was transferred to the cash fund, of which at least \$21.0 million was to be used for scholarships.

Utilization

The Department reports that nearly \$18.0 million in scholarships to nearly 12,000 graduating seniors is expected to be disbursed. Of these students, 3,948 are pursuing health professions, 2,096 are pursuing engineering and technology, 1,899 are pursuing computer and information science, 1,524 are pursuing education, and 1,113 are pursuing construction.

After these scholarships are disbursed, the Department expects a fund balance of \$3,304,500. These funds were originally earmarked for institutions of higher education and training for scholarship funding. However, the Department reports that demand for these funds has been lower than expected, primarily because of the flawed FAFSA process in 2024. Additionally, the Department reports that if these funds were disbursed, they would go to students who are not in the high-demand career pathways that the legislation was aimed at supporting.

The Department believes, and staff agrees, that in light of the low demand for these funds among high-demand career pathways, the dollars could be better used for other General Fund priorities.

→ R8 Advanced Industries Transfers Reductions [Requires Legislation]

Request

The Department requests three cash fund transfers to the General Fund totaling \$17,677,111 in FY 2024-25 and FY 2025-26. In FY 2024-25, the request includes a transfer of \$6,363,447 from the Bioscience Income Tax Transfer. In FY 2025-26, the request includes a transfer of \$7,653,664 from the Bioscience Income Tax Transfer and a reduction of the Limited Gaming distribution of \$3,660,000.

Recommendation

Staff recommends approval of the request.

Analysis

What is the Advanced Industries Accelerator Program?

The Advanced Industries Accelerator Grant Program (AI) was created in 2013 to “promote growth and sustainability in [advanced] industries by driving innovation, commercialization, and public-private partnerships while also increasing access to early-stage capital and creating a strong infrastructure that enhances the state’s capacity to be globally competitive.”¹³

There are five business phases in which AI assists companies with grant funding: Proof of Concept Grants; Early-Stage Capital and Retention Grants; Collaborative Infrastructure Grants; Export Accelerator Grants; and Global Consultant Network. The industries that AI supports are advanced manufacturing, aerospace, bioscience, electronics, energy and natural resources, infrastructure engineering, and technology and information.

How is the Advanced Industries Accelerator Program funded?

The AI program is funded in two main ways. The first is from the bioscience and clean technology income tax withholding. On March 1 of every year until 2035, half of the bioscience and clean technology income tax withholding growth is credited to the advanced industries acceleration cash fund. This withholding tax is deducted and withheld from employees’ paychecks who work for employers with one of the clean technology industry NAICS (North American industry classification system) codes. For FY 2024-25, OEDIT estimates that AI will receive \$12,726,894 from this revenue source. For FY 2025-26, the estimate is \$15,307,328.

The second primary funding source is the state share of limited gaming distribution funds. Each year, AI receives a \$5.5 million distribution of limited gaming funds. This is a statutorily defined amount, and does not change absent legislation.

¹³ OEDIT 2024 Annual Report

Along with these annual funding sources, AI can receive gifts, grants, and donations, as well as any funds that the General Assembly appropriates to the advanced industries acceleration cash fund.

Can AI absorb these reductions?

OEDIT reports that reductions of this magnitude are absorbable for one year. AI expects a reduction in grant awardees in FY 2025-26, and with the existing fund balance believes they will be able to meet all of their grant obligations despite these reductions. OEDIT cautions, however, that completely eliminating funding for a year or more would jeopardize AI's ability to meet its grant obligations and would disrupt grant cycles. They claim that a year without funding would create gaps in support for the sectors they are active in.

→ BA1 Cannabis Business Office Sustainable Funding [Requires Legislation]

Request

The Department requests that the JBC sponsor legislation that would provide the Cannabis Business Office (CBO) with an annual \$1.5 million cash fund appropriation from the Marijuana Tax Cash Fund. This would create a permanent funding stream for CBO and enable it to continue programs, operations, and staffing. The request is also to allow the CBO to accept gifts, grants, and donations. The Department has identified this request as ‘proven’.

Recommendation

Staff recommends delaying action on this item until it has acted on the broader Marijuana Tax Cash Fund solvency issue.

Analysis

What is the Cannabis Business Office?

The Cannabis Business Office (CBO) was created through S.B. 21-111 (Program to Support Marijuana Entrepreneurs) to support entrepreneurs in the marijuana industry by providing:

- Loans to social equity licensees for seed capital and ongoing business expenses;
- Grants to social equity licensees or other organizations to support innovation and job creation for social equity licensees; and
- Technical assistance for marijuana business owners, prioritizing social equity licensees that have received a grant or loan.

History of Funding

In the enacting legislation, CBO was provided with a one-time allocation of \$4.0 million from the Marijuana Tax Cash Fund (MTCF). The legislation also specified that the General Assembly was allowed to appropriate additional funds to the Marijuana Entrepreneurs Cash Fund (MECF) – which funds CBO – starting in FY 2022-23. No additional funds were appropriated to the MECF until FY 2024-25 when the General Assembly appropriated an additional \$800,000. If approved, this funding would represent the first permanent funding stream for the CBO.

MTCF Status

Staff is concerned about this request because the funding source is ongoing MTCF dollars. As the Committee has been informed, continued declines in MTCF revenue is threatening the solvency of the fund. As noted in the JBC Staff “Marijuana Policy Overview” budget briefing document dated November 12, 2024, “Looking toward the future, staff notes that existing appropriations and statutory transfers from the MTCF are not sustainable under either the OSPB or LCS forecast.” It continues, “if MTCF revenues trend with the OSPB forecast, the MTCF

is projected to finish FY 2024-25 just above the 15 percent statutory reserve. However, with no further budget balancing measures, the fund is projected to finish FY 2025-26 \$19.6 million below the statutory reserve.”

In the Governor’s January 2 budget amendment request submission, as a solution to the solvency issue, the Governor requested that the amount of MTCF held as part of the State Emergency Reserve be reduced from \$100.0 million to \$75.0 million. Staff believes that the Committee should first make decisions on how it wants to manage the MTCF solvency issue before making a decision on this request.

Potential Benefits of CBO

Staff can imagine a scenario where the CBO is integral in maintaining certain revenue levels coming into the MTCF. Staff can also imagine a scenario where the CBO fosters and supports a thriving legal marijuana industry. Unfortunately, staff is unsure if the CBO is actually adding value to the economy or increasing revenue to MTCF in any significant way because very little information was provided to show that the CBO *should* be funded. There is research that says that equitable opportunities are good for an industry, but staff received nothing that shows that the opportunities that CBO provides are good for the legal marijuana industry in Colorado. The real question should be, “Are the direct benefits to the state as a result of CBO activity worth more than \$1.5 million?” If the answer is no, the CBO should not be funded.

Evidence Discussion and Recommendation

The Department has indicated that this is a ‘proven’ request. A proven request means that the best available research evidence supports the effectiveness of a program or practice, as demonstrated by at least one quality randomized control trial or at least two quality evaluations with strong comparison groups.

Staff disagrees with the Department, and assigns a designation of ‘ineligible’ to this request. While the CBO might help certain target populations open and maintain marijuana businesses, the CBO in itself is not a program or practice as it is defined in statute. The CBO is essentially a funding stream, which cannot receive an evidence designation of proven, promising, or evidence-informed.

As mentioned, staff feels that it would be prudent for the Committee to delay action on this request until broader decisions related to MTCF solvency have been made. Staff believes that if the Committee were to approve funding that would cause the MTCF to end FY 2025-26 below the 15.0 percent reserve requirement, it would tie the Committee’s hands with the MTCF solvency question. For this reason, staff recommends delaying action on this item until the Committee has made a decision on MTCF solvency.

If the Committee would prefer to act on this decision item now, staff recommends denial of the request.

Line Item Detail

Administration

This line item provides funding for the centralized administration of OEDIT including the OEDIT Director, accounting, budget, procurement, personnel, and other administrative functions.

Statutory Authority: Sections 24-48.5-101 and 24-50-101, C.R.S.

Recommendation: The staff recommendation is summarized in the table below. The amounts in this table are contingent on the Committee’s decision on R4 Administrative Funds.

Economic Development Programs, Administration						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$1,707,086	\$1,707,086	\$0	\$0	\$0	7.3
Total FY 2024-25	\$1,707,086	\$1,707,086	\$0	\$0	\$0	7.3
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$1,707,086	\$1,707,086	\$0	\$0	\$0	7.3
Centrally appropriated items	144,703	144,703	0	0	0	0.0
OEDIT R4 Admin funds	-584,247	-1,735,287	0	1,151,040	0	0.0
OEDIT R6 One percent GF reduce	-16,502	-16,502	0	0	0	0.0
Total FY 2025-26	\$1,251,040	\$100,000	\$0	\$1,151,040	\$0	7.3
Increase/-Decrease from FY 2024-25	-\$456,046	-\$1,607,086	\$0	\$1,151,040	\$0	0.0
Percentage Change	-26.7%	-94.1%	n/a	n/a	n/a	0.0%
FY 2025-26 Executive Request	\$3,723,993	\$1,835,287	\$0	\$1,888,706	\$0	7.3
Staff Rec. Above/-Below Request	-\$2,472,953	-\$1,735,287	\$0	-\$737,666	\$737,666	0.0

Vehicle Lease Payments

This line item provides funding for the centralized administration OEDIT including the OEDIT Director, accounting, budget, procurement, personnel, and other administrative functions.

Statutory Authority: Sections 24-48.5-101 and 24-50-101, C.R.S.

Recommendation: The staff recommendation is summarized in the table below.

Economic Development Programs, Vehicle Lease Payments						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$17,935	\$17,935	\$0	\$0	\$0	0.0
Total FY 2024-25	\$17,935	\$17,935	\$0	\$0	\$0	0.0

Economic Development Programs, Vehicle Lease Payments						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$17,935	\$17,935	\$0	\$0	\$0	0.0
NP1 Fleet lease	-8,466	-8,466	0	0	0	0.0
Total FY 2025-26	\$9,469	\$9,469	\$0	\$0	\$0	0.0
Increase/-Decrease from FY 2024-25						
Percentage Change	-\$8,466	-\$8,466	\$0	\$0	\$0	0.0
	-47.2%	-47.2%	n/a	n/a	n/a	n/a
FY 2025-26 Executive Request						
Staff Rec. Above/-Below Request	\$9,469	\$9,469	\$0	\$0	\$0	0.0
	\$0	\$0	\$0	\$0	\$0	0.0

Leased Space

This line item provides funding for the Office's leased space of 14,337 square feet at 1600 Broadway in downtown Denver.

Statutory Authority: Section 24-30-1104 (2), C.R.S.

Recommendation: The staff recommendation is summarized in the table below.

Economic Development Programs, Leased Space						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$366,618	\$366,618	\$0	\$0	\$0	0.0
Total FY 2024-25	\$366,618	\$366,618	\$0	\$0	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$366,618	\$366,618	\$0	\$0	\$0	0.0
Technical adjustment	86,035	86,035	0	0	0	0.0
Total FY 2025-26	\$452,653	\$452,653	\$0	\$0	\$0	0.0
Increase/-Decrease from FY 2024-25						
Percentage Change	\$86,035	\$86,035	\$0	\$0	\$0	0.0
	23.5%	23.5%	n/a	n/a	n/a	n/a
FY 2025-26 Executive Request						
Staff Rec. Above/-Below Request	\$452,653	\$452,653	\$0	\$0	\$0	0.0
	\$0	\$0	\$0	\$0	\$0	0.0

Global Business Development

This line item provides funding for the expenses of the Global Business Corporate Development Program, the Aerospace and Defense Industry Initiative, the Minority Business Office, and marketing and promotion.

Statutory Authority: Sections 24-48.5-101, 24-47-101, and 24-49.5-101, C.R.S.

Recommendation: The staff recommendation is summarized in the table below.

Economic Development Programs, Global Business Development						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$5,245,052	\$4,121,948	\$573,626	\$175,000	\$374,478	26.6
Total FY 2024-25	\$5,245,052	\$4,121,948	\$573,626	\$175,000	\$374,478	26.6
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$5,245,052	\$4,121,948	\$573,626	\$175,000	\$374,478	26.6
Centrally appropriated items	175,988	175,988	0	0	0	0.0
OEDIT R1 GF inc global bus dev	0	0	0	0	0	0.0
OEDIT R2 MBO and Leading Edge	0	0	0	0	0	0.0
OEDIT R3 CO aerospace invest	0	0	0	0	0	0.0
Technical adjustment	0	0	0	0	0	-0.2
OEDIT R6 One percent GF reduce	-39,847	-39,847	0	0	0	0.0
Total FY 2025-26	\$5,381,193	\$4,258,089	\$573,626	\$175,000	\$374,478	26.4
Increase/-Decrease from FY 2024-25	\$136,141	\$136,141	\$0	\$0	\$0	-0.2
Percentage Change	2.6%	3.3%	0.0%	0.0%	0.0%	-0.8%
FY 2025-26 Executive Request	\$5,915,971	\$4,792,867	\$573,626	\$175,000	\$374,478	28.4
Staff Rec. Above/-Below Request	-\$534,778	-\$534,778	\$0	\$0	\$0	-2.0

Office of Outdoor Recreation

This line item provides funding for the expenses of Office of Outdoor Recreation (ORec), created through an allocation of the Economic Development Commission’s “Strategic Fund” in 2015. It received statutory authority when the General Assembly adopted H.B. 21-1223 (Office of Outdoor Recreation), but did not seek additional General Fund at the time, ostensibly due to budgetary constraints during the 2021 legislative session. The General Assembly created a line item for the ORec in FY 2020-21 and prioritized reflecting the funding being allocated to it by the Economic Development Commission in prior years and thus transferred \$220,000 General Fund appropriated to the Global Business Development line item and \$150,000 from Colorado Promotion – Other Program Costs.

Statutory Authority: Sections 24-48.5-101, 24-47-101, 24-49.5-101, and 24-49.7-101, C.R.S.

Recommendation: The staff recommendation is summarized in the table below.

Economic Development Programs, Office of Outdoor Recreation						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$667,000	\$667,000	\$0	\$0	\$0	5.7
Total FY 2024-25	\$667,000	\$667,000	\$0	\$0	\$0	5.7
FY 2025-26 Recommended Appropriation						

Economic Development Programs, Office of Outdoor Recreation						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation	\$667,000	\$667,000	\$0	\$0	\$0	5.7
Centrally appropriated items	16,426	16,426	0	0	0	0.0
Prior year budget actions	-297,000	-297,000	0	0	0	-2.7
OEDIT R6 One percent GF reduce	-6,448	-6,448	0	0	0	0.0
Total FY 2025-26	\$379,978	\$379,978	\$0	\$0	\$0	3.0
Increase/-Decrease from FY 2025-26	-\$287,022	-\$287,022	\$0	\$0	\$0	-2.7
Percentage Change	-43.0%	-43.0%	n/a	n/a	n/a	-47.4%
FY 2025-26 Executive Request	\$379,978	\$379,978	\$0	\$0	\$0	3.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Leading Edge Program Grants

This line item provides funding for the Leading Edge Program. The Program provides entrepreneurial training at Small Business Development Centers. Trainees receive 35-45 hours of business planning assistance for their planned, new, or existing businesses. All of the funds in this appropriation support the direct cost of training. Administrative costs are absorbed within the Small Business Development Centers appropriation.

Statutory Authority: Sections 24-48.5-101 and 24-48.5-102, C.R.S.

Recommendation: The staff recommendation is summarized in the table below.

Economic Development Programs, Leading Edge Program Grants						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$151,431	\$76,000	\$75,431	\$0	\$0	0.0
Total FY 2024-25	\$151,431	\$76,000	\$75,431	\$0	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$151,431	\$76,000	\$75,431	\$0	\$0	0.0
OEDIT R2 MBO and Leading Edge	0	0	0	0	0	0.0
Total FY 2025-26	\$151,431	\$76,000	\$75,431	\$0	\$0	0.0
Increase/-Decrease from FY 2025-26	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	n/a	n/a	n/a
FY 2025-26 Executive Request	\$171,431	\$96,000	\$75,431	\$0	\$0	0.0
Staff Rec. Above/-Below Request	-\$20,000	-\$20,000	\$0	\$0	\$0	0.0

Small Business Development Centers

This line item provides funding to oversee a network of ten college and university-based centers, five community-based centers, and three satellite offices that provide training and

counseling to new business ventures in conjunction with the federal Small Business Administration.

Statutory Authority: Sections 24-48.5-101 and 24-48.5-102, C.R.S.

Recommendation: The staff recommendation is summarized in the table below.

Economic Development Programs, Small Business Development Centers						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$1,771,267	\$486,465	\$0	\$0	\$1,284,802	4.0
Total FY 2024-25	\$1,771,267	\$486,465	\$0	\$0	\$1,284,802	4.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$1,771,267	\$486,465	\$0	\$0	\$1,284,802	4.0
Centrally appropriated items	5,475	5,475	0	0	0	0.0
OEDIT R6 One percent GF reduce	-5,438	-5,438	0	0	0	0.0
Total FY 2025-26	\$1,771,304	\$486,502	\$0	\$0	\$1,284,802	4.0
Increase/-Decrease from FY 2024-25	\$37	\$37	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	n/a	n/a	0.0%	0.0%
FY 2025-26 Executive Request	\$1,771,304	\$486,502	\$0	\$0	\$1,284,802	4.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Colorado Office of Film, Television, and Media

This line item provides funds for the Colorado Office of Film, Television, and Media. The Office is legislatively-tasked with promoting Colorado as a location for making feature films, television shows, television commercials, still photography, music videos, and emerging mass media projects and providing financial incentives to accomplish the promotion activities.

Statutory Authority: Sections 24-48.5.-114, 24-48.5-115, and 24-48.5-116, C.R.S.

Recommendation: The staff recommendation is summarized in the table below.

Economic Development Programs, Colorado Office of Film, Television, and Media						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$1,269,525	\$750,000	\$519,525	\$0	\$0	4.5
Other Legislation	\$429,120	\$29,120	\$400,000	\$0	\$0	0.0
Total FY 2024-25	\$1,698,645	\$779,120	\$919,525	\$0	\$0	4.5
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$1,698,645	\$779,120	\$919,525	\$0	\$0	4.5
Centrally appropriated items	62,931	0	62,931	0	0	0.0
Prior year budget actions	-400,000	0	-400,000	0	0	0.0

Economic Development Programs, Colorado Office of Film, Television, and Media						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Prior year legislation	-29,120	-29,120	0	0	0	0.0
OEDIT R6 One percent GF reduce	-7,250	-7,250	0	0	0	0.0
Total FY 2025-26	\$1,325,206	\$742,750	\$582,456	\$0	\$0	4.5
Increase/-Decrease from FY 2024-25	-\$373,439	-\$36,370	-\$337,069	\$0	\$0	0.0
Percentage Change	-22.0%	-4.7%	-36.7%	n/a	n/a	0.0%
FY 2025-26 Executive Request	\$1,325,206	\$742,750	\$582,456	\$0	\$0	4.5
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Colorado Promotion - Colorado Welcome Centers

This line item provides funding for the state-operated, highway-based welcome centers, which promote tourism and provide vacation guides, maps and other basic guidance and limited services to road travelers. Eight centers are currently in operation at the major highway entrances to the state.

Statutory Authority: Section 24-49.7-101, C.R.S.

Request: The Department requests continuation funding.

Recommendation: Staff recommends continuation funding.

Colorado Promotion - Other Program Costs

This line item provides funding for the Colorado Tourism Office and staff support for its board. The Office promotes Colorado as a vacation destination by developing and implementing marketing and promotional strategies, materials and programs that, in concert with private sector promotional activities, portray a consistent, unified brand image of Colorado in the tourism marketplace. The major expenses are a contract with an ad agency to develop campaigns, and a fulfillment center to handle day-to-day inquiries, the 800-number, and vacation guide distribution.

Statutory Authority: Section 24-49.7-101, C.R.S.

Recommendation: The staff recommendation is summarized in the table below.

Economic Development Programs, Colorado Promotion - Other Program Costs						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$18,449,623	\$3,870,000	\$14,579,623	\$0	\$0	4.0
Total FY 2024-25	\$18,449,623	\$3,870,000	\$14,579,623	\$0	\$0	4.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$18,449,623	\$3,870,000	\$14,579,623	\$0	\$0	4.0
Centrally appropriated items	246,197	7,822	238,375	0	0	0.0

Economic Development Programs, Colorado Promotion - Other Program Costs						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
OEDIT R6 One percent GF reduce	-44,661	-44,661	0	0	0	0.0
Total FY 2025-26	\$18,651,159	\$3,833,161	\$14,817,998	\$0	\$0	4.0
Increase/-Decrease from FY 2024-25	\$201,536	-\$36,839	\$238,375	\$0	\$0	0.0
Percentage Change	1.1%	-1.0%	1.6%	n/a	n/a	0.0%
FY 2025-26 Executive Request	\$18,651,159	\$3,833,161	\$14,817,998	\$0	\$0	4.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Destination Development Program

This line item provides funding to promote activities, events, and services at farms, ranches, or other agricultural, horticultural, or agribusiness operations.

Statutory Authority: Section 38-13-116.7 (3), C.R.S.

Request: The Department requests continuation funding.

Recommendation: Staff recommends continuation funding.

Economic Development Commission - General Economic Incentives and Marketing

This line item funds a variety of activities undertaken by the Colorado Economic Development Commission (EDC). The legislature created the EDC to promote economic development in Colorado. The Governor, President of the Senate, and Speaker of the House appoint the members of the Commission. The EDC approves loans and grants from the Economic Development Fund to public and private entities in Colorado to help existing businesses expand and new companies locate to the state. It also supports marketing programs and special activities to promote Colorado nationally and internationally. The EDC shares responsibility for oversight of the state's Enterprise Zone program. The nine Commission members make all policy and funding decisions.

Statutory Authority: Sections 24-46-101, 24-46-104, 39-22-531, 24-46-301, 24-46-105.7, 39-30-101, 42-1-225 and 39-26-113.5, and 24-48.5-112, C.R.S.

Recommendation: The staff recommendation is summarized in the table below.

Economic Development Programs, Economic Development Commission - General Economic Incentives and Marketing						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$6,098,175	\$5,734,298	\$363,877	\$0	\$0	7.3
Other Legislation	\$164,499	\$164,499	\$0	\$0	\$0	1.0
Total FY 2024-25	\$6,262,674	\$5,898,797	\$363,877	\$0	\$0	8.3

Economic Development Programs, Economic Development Commission - General Economic Incentives and Marketing						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$6,262,674	\$5,898,797	\$363,877	\$0	\$0	8.3
Centrally appropriated items	50,059	50,059	0	0	0	0.0
OEDIT R1 GF inc global bus dev	0	0	0	0	0	0.0
OEDIT R6 One percent GF reduce	-55,824	-55,824	0	0	0	0.0
Technical adjustment	-34,274	109,603	-143,877	0	0	1.8
Prior year legislation	-26,296	-26,296	0	0	0	0.5
Total FY 2025-26	\$6,196,339	\$5,976,339	\$220,000	\$0	\$0	10.6
Increase/-Decrease from FY 2024-25						
Percentage Change	-1.1%	1.3%	-39.5%	n/a	n/a	27.7%
FY 2025-26 Executive Request						
Staff Rec. Above/-Below Request	-\$574,418	-\$574,418	\$0	\$0	\$0	0.0

Colorado First Customized Job Training

The line item provides funding for grants to companies that are relocating to Colorado or existing companies that are undertaking a major expansion. The grants are used to provide job training assistance. Companies receiving assistance must provide a partial funding match. The Office determines which companies will receive this assistance and then transfers funding to the Community Colleges of Colorado to develop and provide the training programs. The grant may be used to provide instructor's wages, curriculum development, or the purchase of consumable training supplies.

Statutory Authority: Sections 24-48.5-101, 24-48.5-105(5) and 23-60-306, C.R.S.

Recommendation: The staff recommendation is summarized in the table below.

Economic Development Programs, Colorado First Customized Job Training						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$4,500,000	\$4,500,000	\$0	\$0	\$0	0.0
Total FY 2024-25	\$4,500,000	\$4,500,000	\$0	\$0	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$4,500,000	\$4,500,000	\$0	\$0	\$0	0.0
OEDIT R5 Reduce skills advance approp	-3,000,000	-3,000,000	0	0	0	0.0
OEDIT R6 One percent GF reduce	-43,501	-43,501	0	0	0	0.0
Total FY 2025-26	\$1,456,499	\$1,456,499	\$0	\$0	\$0	0.0
Increase/-Decrease from FY 2024-25						
	-\$3,043,501	-\$3,043,501	\$0	\$0	\$0	0.0

Economic Development Programs, Colorado First Customized Job Training						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Percentage Change	-67.6%	-67.6%	n/a	n/a	n/a	n/a
FY 2025-26 Executive Request	\$1,456,499	\$1,456,499	\$0	\$0	\$0	0.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

CAPCO Administration

This line item provides funding for the Certified Capital Companies Program (CAPCO). The goal of the initiative is making venture capital funds available to new or expanding small businesses throughout Colorado. The state provided \$100 million for this program in the form of premium tax credits. The \$100 million in premium tax credits were given to insurance companies in exchange for the insurance companies giving \$100 million in cash to the CAPCOs. The CAPCOs then use these funds to invest in qualifying Colorado businesses. Funding is reappropriated from the Division of Insurance within the Department of Regulatory Agencies.

Statutory Authority: Sections 24-48.5-106 and 10-3.5.101, et al., C.R.S.

Request: The Department requests continuation funding.

Recommendation: Staff recommends continuation funding.

Council on Creative Industries

This line item provides funding for the Creative Industries Council. The Council promotes the cultural, educational, and economic growth of Colorado through development of its arts and cultural heritage. The Council administers grants and provides services that make the arts more accessible to all Colorado citizens, expand arts education opportunities for youth, support tourism and other economic development strategies, preserve and promote our cultural heritage, and stimulate and encourage the development of artists and arts organizations.

Statutory Authority: Section 24-48.5-301, C.R.S.

Recommendation: The staff recommendation is summarized in the table below.

Economic Development Programs, Council on Creative Industries						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$4,578,734	\$1,250,000	\$2,563,000	\$0	\$765,734	3.5
Other Legislation	\$102,498	\$102,498	\$0	\$0	\$0	0.8
Total FY 2024-25	\$4,681,232	\$1,352,498	\$2,563,000	\$0	\$765,734	4.3
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$4,681,232	\$1,352,498	\$2,563,000	\$0	\$765,734	4.3
Centrally appropriated items	39,891	39,891	0	0	0	0.0
Prior year legislation	1,974	1,974	0	0	0	0.2

Economic Development Programs, Council on Creative Industries						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
OEDIT R6 One percent GF reduce	-12,084	-12,084	0	0	0	0.0
Total FY 2025-26	\$4,711,013	\$1,382,279	\$2,563,000	\$0	\$765,734	4.5
Increase/-Decrease from FY 2024-25	\$29,781	\$29,781	\$0	\$0	\$0	0.2
Percentage Change	0.6%	2.2%	0.0%	n/a	0.0%	4.7%
FY 2025-26 Executive Request	\$4,711,013	\$1,382,279	\$2,563,000	\$0	\$765,734	4.5
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Advanced Industries

This line item provides funding for the Advanced Industries Acceleration (AI) grant program. The program distributes grants to seven specified industries: advanced manufacturing, aerospace, bioscience, electronics, energy and natural resources, infrastructure engineering, and information technology. The line item receives from two sources:

Cash funds from limited gaming tax revenue (\$5.5 million); and

Cash funds from income tax withholding growth from bioscience and cleantech occupations.

Statutory Authority: Section 24-48.5-117, (7)(a) C.R.S.

Request: The Department requests informational continuation funding.

Recommendation: Staff recommends informational continuation funding.

Rural Jump Start

This line item, created via S.B. 15-282 (Jump-start Econ Dev Distressed Counties), provides funding to administer the Rural Jump Start initiative that provides tax benefits to approved new businesses that locate inside a rural jump-start zone and establish a relationship with a state institution of higher education, junior college, or an area vocational school. A rural jump start zone is an area within a distressed county. The Colorado Economic Development Commission is responsible for developing guidelines for the administration of the rural jump-start zone program and identifying eligible distressed countries.

Statutory Authority: Section 39-30.5-104, C.R.S.

Recommendation: The staff recommendation is summarized in the table below.

Economic Development Programs, Rural Jump Start						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
Other Legislation	\$873,304	\$0	\$873,304	\$0	\$0	1.5
HB 24-1430 (Long Bill)	\$40,491	\$40,491	\$0	\$0	\$0	0.5
Total FY 2024-25	\$913,795	\$40,491	\$873,304	\$0	\$0	2.0

Economic Development Programs, Rural Jump Start						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$913,795	\$40,491	\$873,304	\$0	\$0	2.0
Prior year legislation	-873,304	0	-873,304	0	0	-1.5
Total FY 2025-26	\$40,491	\$40,491	\$0	\$0	\$0	0.5
Increase/-Decrease from FY 2024-25						
Percentage Change	-95.6%	0.0%	-100.0%	n/a	n/a	-75.0%
FY 2025-26 Executive Request						
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Rural Opportunity Office

Supports rural communities, economic development offices, business support organizations, and small businesses by connecting them to relevant Office of Economic Development and State Partner programs.

Statutory Authority: Section 24-48.5-133, C.R.S.

Recommendation: The staff recommendation is summarized in the table below.

Economic Development Programs, Rural Opportunity Office						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$551,384	\$398,384	\$0	\$153,000	\$0	4.0
Other Legislation	\$215,021	\$215,021	\$0	\$0	\$0	1.5
Total FY 2024-25	\$766,405	\$613,405	\$0	\$153,000	\$0	5.5
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$766,405	\$613,405	\$0	\$153,000	\$0	5.5
Centrally appropriated items	12,515	12,515	0	0	0	0.0
Prior year legislation	-42,460	-42,460	0	0	0	0.0
OEDIT R6 One percent GF reduce	-3,851	-3,851	0	0	0	0.0
Total FY 2025-26	\$732,609	\$579,609	\$0	\$153,000	\$0	5.5
Increase/-Decrease from FY 2024-25						
Percentage Change	-4.4%	-5.5%	n/a	0.0%	n/a	0.0%
FY 2025-26 Executive Request						
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Appropriation to the Marijuana Entrepreneur Cash Fund

This line item provides funding for the Office's share of assessed statewide indirect cost recoveries.

Statutory Authority: Colorado Fiscal Rules #8-3 and Section 24-75-1401, C.R.S.

Recommendation: The staff recommendation is summarized in the table below.

Economic Development Programs, Appropriation to the Marijuana Entrepreneur Cash Fund						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$800,000	\$0	\$800,000	\$0	\$0	0.0
Total FY 2024-25	\$800,000	\$0	\$800,000	\$0	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$800,000	\$0	\$800,000	\$0	\$0	0.0
OEDIT BA1 CBO funding	0	0	0	0	0	0.0
Prior year budget actions	-800,000	0	-800,000	0	0	0.0
Total FY 2025-26	\$0	\$0	\$0	\$0	\$0	0.0
Increase/-Decrease from FY 2024-25	-\$800,000	\$0	-\$800,000	\$0	\$0	0.0
Percentage Change	-100.0%	n/a	-100.0%	n/a	n/a	n/a
FY 2025-26 Executive Request	\$1,500,000	\$0	\$1,500,000	\$0	\$0	0.0
Staff Rec. Above/-Below Request	-\$1,500,000	\$0	-\$1,500,000	\$0	\$0	0.0

Indirect Cost Assessment

This line item provides funding for the Office’s share of assessed statewide indirect cost recoveries.

Statutory Authority: Colorado Fiscal Rules #8-3 and Section 24-75-1401, C.R.S.

Recommendation: The staff recommendation is summarized in the table below.

Economic Development Programs, Indirect Cost Assessment						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$217,112	\$0	\$217,112	\$0	\$0	0.0
Total FY 2024-25	\$217,112	\$0	\$217,112	\$0	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$217,112	\$0	\$217,112	\$0	\$0	0.0
Indirect cost assessment	-8,232	0	-8,232	0	0	0.0
Total FY 2025-26	\$208,880	\$0	\$208,880	\$0	\$0	0.0
Increase/-Decrease from FY 2024-25	-\$8,232	\$0	-\$8,232	\$0	\$0	0.0
Percentage Change	-3.8%	n/a	-3.8%	n/a	n/a	n/a
FY 2025-26 Executive Request	\$208,880	\$0	\$208,880	\$0	\$0	0.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Informational Indirect Cost Recovery

This line item identifies the amount of indirect costs that the Office of Economic Development and International Trade intends to recover from continuously appropriated cash funds.

Statutory Authority: Colorado Fiscal Rules #8-3 and Section 24-75-1401, C.R.S.

Recommendation: The staff recommendation is summarized in the table below.

Economic Development Programs, Informational Indirect Cost Recovery						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
HB 24-1430 (Long Bill)	\$0	\$0	\$0	\$0	\$0	0.0
Total FY 2024-25	\$0	\$0	\$0	\$0	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
OEDIT R4 Admin funds	700,000	0	700,000	0	0	0.0
Total FY 2025-26	\$700,000	\$0	\$700,000	\$0	\$0	0.0
Increase/-Decrease from FY 2024-25	\$700,000	\$0	\$700,000	\$0	\$0	0.0
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a
FY 2025-26 Executive Request	\$0	\$0	\$0	\$0	\$0	0.0
Staff Rec. Above/-Below Request	\$700,000	\$0	\$700,000	\$0	\$0	0.0

Long Bill Footnotes

No footnotes are associated with the offices discussed in this briefing document, and staff does not recommend adding any new footnotes.

Requests for Information

Staff recommends **continuing** the following request for information.

- 1 Office of the Governor, Office State Planning and Budgeting – The Office is requested to provide on, or before, November 1, a report on initiatives or expenditures that rely on gifts, grants, and donations. For each initiative or project, the report should include the name, a description, the amount, the source, and the number of FTE supported.

COMMENT: The Department submitted the report as requested. A copy is available [here](#). There continues to be interest from the General Assembly on funding secured by the Governor's Office outside the budget process. JBC staff recommends continuing this request to provide the information to interested members upon request.

Additional Balancing Options

As part of staff budget briefings in November and December 2024, staff identified budget reduction options for each department that the JBC could consider in addition to or instead of the options presented in the budget request. **Items staff recommends and items that agencies have requested formally are addressed earlier in this packet.** Other items that could be considered, if needed to bring the budget into balance, are listed below.

A General Fund reduction of 5.0 percent to the sections of the budget covered in this figure setting packet equates to reduction of \$2,532,862. The Staff recommendations included in this figure setting packet, if adopted by the JBC, provide budget reductions and revenue enhancements totaling \$5,399,793. Options from the table below, if adopted, increase that amount.

Items in the table are ordered from lowest impact on program operations to highest, based on staff's understanding of the impact of the change. Staff has also **highlighted** in the table those options that Executive Branch has indicated that it supports, based on letters or other communication with the JBC staff, though it did not formally request these items.

Additional Options for General Fund Relief				
Option	General Fund	Other Funds	Bill? Y/N	Department Response
Revenue Enhancements				
Colorado Startup Loan Fund Transfer to GF	\$4,000,000	-\$4,000,000	Y	The Department reports that it has kept \$9.31 million in this fund to wait for an opportune market climate to disburse the loans. RFPs will begin in early 2025. This capital is recycled when the loans are paid back.
Transfer funds from the Sustainable Rebuilding Program	\$5.0 million	-\$5.0 million	Y	The Department did not include information on how much is in this fund, only that the General Assembly has already swept \$10.0 million of the original \$20.0 million.
Transfer funds from the Innovative Housing Incentive Grant and Loan Program	\$3.0 million	-\$3.0 million	Y	The Department reports that a \$10.0 million transfer out of this fund would leave only \$2.0 million remaining, and the fund would not be able to operate effectively. A \$3.0 million transfer would leave \$9.0 million in the fund with the expectation that that would be enough for the fund to operate.
Transfer funds from the Pay for Success Contracts Fund	\$1,561,746	-\$1,561,746	Y	The schedule 9 for this fund shows that the Department has not spent anything out of this fund since FY 2022-23. Staff believes the funds in it are not being used.
Transfer funds from the Industrial and Manufacturing Operations Clean Air Grant Program	\$500,000	-\$500,000	Y	The Department reports that the only funds not committed is a small amount to be used for administration of the grants.
Transfer funds from the Clean Air Buildings Investments Fund	\$500,000	-\$500,000	Y	The Department reports that the only funds not committed is a small amount to be used for administration of the grants.

Additional Options for General Fund Relief				
Option	General Fund	Other Funds	Bill? Y/N	Department Response
Transfer from the Geothermal Energy Grants Program	\$500,000	-\$500,000	Y	The Department reports that the only funds not committed is a small amount to be used for administration of the grants.
Transfer Recovery and Infrastructure Administrative Support funding to General Fund	Up to \$15.0 million	Up to -\$15.0 million	Y	The Department reports that a fund balance is being held in this fund to resolve any potential issues with unapproved FEMA costs, additional compliance work related to ARPA funds, and any additional staff time needed as a result of change in federal Administration.
Transfer funds from the Electric Vehicle Grant Fund	unknown	unknown	Y	The Department reports that this cash fund has a fee-based revenue source.
Transfer funds from the Economic Development Fund	Up to \$17.5 million	Up to -\$17.5 million	Y	The Department reports that the entirety of these funds are being used, but are not otherwise obligated.
Transfer funds from Office of Film, Television, and Media Operational Account Cash Fund	Up to \$1.0 million	Up to -\$1.0 million	Y	These funds would significantly set back the work of this office for many years, including competing for the Sundance Music Festival
Transfer funds from the Opportunity Now program	\$0	\$0	Y	The Department reports that all of the funds in the Opportunity Now cash fund are encumbered and obligated to grantees.
Transfer funds from the Infrastructure Investment and Jobs Act Match Funding	\$6,200,000	-\$6,200,000	Y	The IJIA Cash Fund received transfers totaling \$164.3 million General Fund over two years. The remaining balance in the fund is \$6.2 million, which is planned for future grant cycles.
Subtotal - Revenue	\$50,761,746	-\$50,761,746		
Net General Fund Relief	\$50,761,746			

Appendix A: Numbers Pages

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
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GOVERNOR - LIEUTENANT GOVERNOR - STATE PLANNING AND BUDGETING
Jared Polis, Governor

(1) OFFICE OF THE GOVERNOR

(A) Governor's Office

Administration of Governor's Office and Residence	<u>5,354,785</u>	<u>5,634,006</u>	<u>6,321,229</u>	<u>6,612,714</u>	<u>6,473,584</u>
FTE	43.9	45.8	46.0	45.0	44.0
General Fund	4,806,869	5,086,235	5,743,205	5,967,640	5,828,510
Cash Funds	106,912	106,767	106,912	117,866	117,866
Reappropriated Funds	441,004	441,004	471,112	527,208	527,208
Discretionary Fund	<u>19,500</u>	<u>3,856</u>	<u>19,500</u>	<u>19,500</u>	<u>19,500</u>
General Fund	19,500	3,856	19,500	19,500	19,500
Mansion Activity Fund	<u>263,266</u>	<u>53,188</u>	<u>263,266</u>	<u>263,266</u>	<u>263,266</u>
Cash Funds	263,266	53,188	263,266	263,266	263,266
Office of Climate Preparedness	<u>426,629</u>	<u>446,228</u>	<u>453,707</u>	<u>470,962</u>	<u>470,962</u>
FTE	2.7	3.0	3.0	3.0	3.0
General Fund	426,629	446,228	453,707	470,962	470,962
SUBTOTAL - (A) Governor's Office	6,064,180	6,137,278	7,057,702	7,366,442	7,227,312
FTE	<u>46.6</u>	<u>48.8</u>	<u>49.0</u>	<u>48.0</u>	<u>47.0</u>
General Fund	5,252,998	5,536,319	6,216,412	6,458,102	6,318,972
Cash Funds	370,178	159,955	370,178	381,132	381,132
Reappropriated Funds	441,004	441,004	471,112	527,208	527,208

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
(B) Special Purpose					
Health, Life, and Dental	<u>2,114,280</u>	<u>1,988,387</u>	<u>5,112,179</u>	<u>5,499,324</u>	<u>5,471,268</u>
General Fund	1,321,026	1,712,848	2,234,311	2,254,355	2,226,299
Cash Funds	470,019	60,186	1,410,405	1,831,428	1,831,428
Reappropriated Funds	100,872	215,353	378,638	238,596	238,596
Federal Funds	222,363	0	1,088,825	1,174,945	1,174,945
Short-term Disability	<u>29,015</u>	<u>23,289</u>	<u>54,530</u>	<u>26,354</u>	<u>26,027</u>
General Fund	16,660	19,873	24,893	11,456	11,129
Cash Funds	6,797	263	13,557	7,745	7,745
Reappropriated Funds	2,761	3,153	4,353	1,280	1,280
Federal Funds	2,797	0	11,727	5,873	5,873
S.B. 04-257 Amortization Equalization					
Disbursement	<u>955,334</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	548,448	0	0	0	0
Cash Funds	223,837	0	0	0	0
Reappropriated Funds	90,926	0	0	0	0
Federal Funds	92,123	0	0	0	0
PERA AED and SAED	<u>0</u>	<u>1,491,940</u>	<u>3,635,059</u>	<u>3,746,225</u>	<u>3,718,015</u>
General Fund	0	1,263,830	1,662,282	1,617,939	1,589,729
Cash Funds	0	17,852	902,441	1,106,450	1,106,450
Reappropriated Funds	0	210,258	289,741	182,795	182,795
Federal Funds	0	0	780,595	839,041	839,041

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
PERA Direct Distribution	<u>137,033</u>	<u>390,547</u>	<u>603,644</u>	<u>675,782</u>	<u>675,782</u>
General Fund	0	41,871	405,379	440,796	440,796
Cash Funds	97,121	19,777	150,080	201,669	201,669
Reappropriated Funds	39,912	328,899	48,185	33,317	33,317
Federal Funds	0	0	0	0	0
 Paid Family and Medical Leave Insurance Program	<u>0</u>	<u>0</u>	<u>163,590</u>	<u>168,579</u>	<u>167,310</u>
General Fund	0	0	74,679	72,806	71,537
Cash Funds	0	0	40,672	49,790	49,790
Reappropriated Funds	0	0	13,058	8,226	8,226
Federal Funds	0	0	35,181	37,757	37,757
 Salary Survey	<u>644,452</u>	<u>2,172,948</u>	<u>1,311,387</u>	<u>1,016,289</u>	<u>1,016,289</u>
General Fund	374,858	2,055,724	593,511	432,939	432,939
Cash Funds	149,272	3,483	331,833	303,274	303,274
Reappropriated Funds	59,762	113,741	105,761	50,103	50,103
Federal Funds	60,560	0	280,282	229,973	229,973
 Step Pay	<u>0</u>	<u>0</u>	<u>1,327,101</u>	<u>250,984</u>	<u>250,984</u>
General Fund	0	0	600,623	105,853	105,853
Cash Funds	0	0	335,809	75,452	75,452
Reappropriated Funds	0	0	107,029	12,465	12,465
Federal Funds	0	0	283,640	57,214	57,214
 Workers' Compensation	<u>16,321</u>	<u>14,761</u>	<u>18,532</u>	<u>29,166</u>	<u>29,166</u> *
General Fund	11,569	11,700	11,347	5,834	5,834
Cash Funds	0	0	0	0	0
Reappropriated Funds	4,752	3,061	7,185	23,332	23,332

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Legal Services	<u>708,515</u>	<u>354,618</u>	<u>1,074,738</u>	<u>1,190,411</u>	<u>1,190,411</u>
General Fund	652,890	354,618	1,074,738	1,190,411	1,190,411
Cash Funds	0	0	0	0	0
Reappropriated Funds	55,625	0	0	0	0
Payment to Risk Management and Property Funds	<u>874,366</u>	<u>609,116</u>	<u>405,791</u>	<u>104,103</u>	<u>104,103</u> *
General Fund	778,304	609,116	292,167	17,760	17,760
Cash Funds	0	0	0	0	0
Reappropriated Funds	96,062	0	113,624	86,343	86,343
Capitol Complex Leased Space	<u>390,908</u>	<u>574,005</u>	<u>500,717</u>	<u>566,269</u>	<u>566,269</u>
General Fund	195,453	438,231	264,495	113,254	113,254
Cash Funds	0	0	0	0	0
Reappropriated Funds	195,455	135,774	236,222	453,015	453,015
S.B. 06-235 Supplemental Amortization					
Equalization Disbursement	<u>955,334</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	548,448	0	0	0	0
Cash Funds	223,837	0	0	0	0
Reappropriated Funds	90,926	0	0	0	0
Federal Funds	92,123	0	0	0	0
Payments to OIT	<u>1,509,817</u>	<u>1,445,890</u>	<u>2,041,363</u>	<u>2,072,110</u>	<u>2,281,000</u>
General Fund	1,509,817	1,445,890	2,041,363	2,072,110	2,281,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
IT Accessibility	0	<u>109,952</u>	0	0	0
FTE	0.0	1.0	0.0	0.0	0.0
General Fund	0	109,952	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
CORE Operations	<u>111,440</u>	<u>101,636</u>	<u>49,704</u>	<u>122,960</u>	<u>122,960</u>
General Fund	0	0	5,950	98,802	98,802
Cash Funds	18,366	19,957	7,211	7,211	7,211
Reappropriated Funds	75,169	81,679	29,513	9,917	9,917
Federal Funds	17,905	0	7,030	7,030	7,030
Indirect Cost Assessment	<u>1,679</u>	0	<u>6,317</u>	<u>4,673</u>	<u>4,673</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	1,679	0	6,317	4,673	4,673
SUBTOTAL - (B) Special Purpose	8,448,494	9,277,089	16,304,652	15,473,229	15,624,257
FTE	<u>0.0</u>	<u>1.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	5,957,473	8,063,653	9,285,738	8,434,315	8,585,343
Cash Funds	1,189,249	121,518	3,192,008	3,583,019	3,583,019
Reappropriated Funds	813,901	1,091,918	1,339,626	1,104,062	1,104,062
Federal Funds	487,871	0	2,487,280	2,351,833	2,351,833

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
(C) Colorado Energy Office					
Program Administration	<u>32,746,020</u>	<u>58,404,004</u>	<u>8,574,634</u>	<u>8,531,363</u>	<u>8,531,363</u>
FTE	27.9	28.3	32.8	32.1	32.1
General Fund	2,907,461	2,975,771	3,764,702	3,706,362	3,706,362
Cash Funds	16,475,768	38,965,351	958,596	1,026,941	1,026,941
Reappropriated Funds	37,939	46,704	0	0	0
Federal Funds	13,324,852	16,416,178	3,851,336	3,798,060	3,798,060
Appropriation to the Energy Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	0	0	0	0	0
Low-Income Energy Assistance	<u>7,914,130</u>	<u>10,045,264</u>	<u>11,524,618</u>	<u>11,524,618</u>	<u>11,524,618</u>
FTE	4.5	4.5	4.5	4.5	4.5
General Fund	0	0	0	0	0
Cash Funds	7,914,130	10,045,264	11,524,618	11,524,618	11,524,618
Reappropriated Funds	0	0	0	0	0
Energy Performance for Buildings	<u>209,646</u>	<u>524,135</u>	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,300,000</u>
FTE	2.0	2.0	2.0	2.0	2.0
General Fund	0	0	0	0	0
Cash Funds	209,646	524,135	1,300,000	1,300,000	1,300,000
Reappropriated Funds	0	0	0	0	0
Cannabis Resource Optimization Program	<u>279,479</u>	<u>500,039</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
FTE	0.6	0.6	0.6	0.6	0.6
General Fund	279,479	500,000	500,000	500,000	500,000
Cash Funds	0	39	0	0	0
Reappropriated Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Electric Vehicle Charging Station Grants	<u>869,023</u>	<u>792,581</u>	<u>1,036,204</u>	<u>1,036,204</u>	<u>1,036,204</u>
General Fund	0	0	0	0	0
Cash Funds	869,023	792,581	1,036,204	1,036,204	1,036,204
Reappropriated Funds	0	0	0	0	0
Legal Services	<u>507,116</u>	<u>1,017,213</u>	<u>1,345,435</u>	<u>1,449,798</u>	<u>1,449,798</u>
General Fund	507,116	1,017,213	1,275,806	1,397,420	1,397,420
Cash Funds	0	0	17,251	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	52,378	52,378	52,378
Vehicle Lease Payments	<u>1,790</u>	<u>2,415</u>	<u>5,368</u>	<u>6,792</u>	<u>6,792</u>
General Fund	1,790	2,415	5,368	6,792	6,792
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Leased Space	<u>326,392</u>	<u>331,143</u>	<u>361,248</u>	<u>409,592</u>	<u>409,592</u>
General Fund	326,392	331,143	361,248	409,592	409,592
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Indirect Cost Assessment	<u>62,213</u>	<u>0</u>	<u>113,981</u>	<u>257,393</u>	<u>257,393</u>
General Fund	62,213	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	113,981	257,393	257,393

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Community Access Enterprise	<u>989,168</u>	<u>8,177,632</u>	<u>19,760,850</u>	<u>19,760,850</u>	<u>19,760,850</u>
FTE	3.7	3.7	3.7	3.7	3.7
General Fund	0	0	0	0	0
Cash Funds	989,168	8,177,632	19,760,850	19,760,850	19,760,850
Reappropriated Funds	0	0	0	0	0
Community Access Enterprise Legal Services	<u>214,577</u>	<u>76,439</u>	<u>76,439</u>	<u>15,397</u>	<u>15,397</u>
General Fund	0	0	0	0	0
Cash Funds	214,577	76,439	76,439	15,397	15,397
Reappropriated Funds	0	0	0	0	0
Appropriation to the Streamlined Solar Permitting and Inspection Cash Fund	<u>0</u>	<u>15,822 0.4</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	15,822	0	0	0
Federal Funds	0	0	0	0	0
Streamlined Solar Permitting and Inspection Grant Program	<u>0</u>	<u>992,709</u>	<u>1,023,496</u>	<u>992,709</u>	<u>992,709</u>
FTE	0.0	0.0	0.4	0.0	0.0
General Fund	0	992,709	30,787	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	992,709	992,709	992,709

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
SUBTOTAL - (C) Colorado Energy Office	44,119,554	80,879,396	45,622,273	45,784,716	45,784,716
<i>FTE</i>	<u>38.7</u>	<u>39.5</u>	<u>44.0</u>	<u>42.9</u>	<u>42.9</u>
General Fund	4,084,451	5,819,251	5,937,911	6,020,166	6,020,166
Cash Funds	26,672,312	58,581,441	34,673,958	34,664,010	34,664,010
Reappropriated Funds	37,939	62,526	992,709	992,709	992,709
Federal Funds	13,324,852	16,416,178	4,017,695	4,107,831	4,107,831
TOTAL - (1) Office of the Governor	58,632,228	96,293,763	68,984,627	68,624,387	68,636,285
<i>FTE</i>	<u>85.3</u>	<u>89.3</u>	<u>93.0</u>	<u>90.9</u>	<u>89.9</u>
General Fund	15,294,922	19,419,223	21,440,061	20,912,583	20,924,481
Cash Funds	28,231,739	58,862,914	38,236,144	38,628,161	38,628,161
Reappropriated Funds	1,292,844	1,595,448	2,803,447	2,623,979	2,623,979
Federal Funds	13,812,723	16,416,178	6,504,975	6,459,664	6,459,664

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
(2) OFFICE OF THE LIEUTENANT GOVERNOR					
Administration	<u>416,527</u>	<u>426,179</u>	<u>530,694</u>	<u>555,899</u>	<u>555,899</u>
FTE	4.0	4.0	4.0	4.0	4.0
General Fund	416,527	426,179	530,694	555,899	555,899
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Discretionary Fund	<u>2,875</u>	<u>12</u>	<u>2,875</u>	<u>2,875</u>	<u>2,875</u>
General Fund	2,875	12	2,875	2,875	2,875
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Commission of Indian Affairs	<u>269,291</u>	<u>378,359</u>	<u>525,868</u>	<u>518,397</u>	<u>518,397</u>
FTE	3.0	3.8	4.0	4.0	4.0
General Fund	268,107	378,359	524,684	517,213	517,213
Cash Funds	1,184	0	1,184	1,184	1,184
Reappropriated Funds	0	0	0	0	0
Commission on Community Service	<u>365,000</u>	<u>450,000</u>	<u>467,927</u>	<u>478,901</u>	<u>478,901</u>
FTE	2.0	2.0	2.0	2.0	2.0
General Fund	365,000	450,000	467,927	478,901	478,901
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
TOTAL - (2) Office of the Lieutenant Governor	1,053,693	1,254,550	1,527,364	1,556,072	1,556,072
<i>FTE</i>	<u>9.0</u>	<u>9.8</u>	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>
General Fund	1,052,509	1,254,550	1,526,180	1,554,888	1,554,888
Cash Funds	1,184	0	1,184	1,184	1,184
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
(3) OFFICE OF STATE PLANNING AND BUDGETING					
Personal Services	<u>3,055,978</u>	<u>3,614,834</u>	<u>4,058,110</u>	<u>4,128,473</u>	<u>4,137,264</u>
FTE	21.6	0.0	26.9	24.9	24.9
General Fund	1,236,741	1,795,597	2,155,240	2,068,909	2,077,700
Cash Funds	0	0	0	0	0
Reappropriated Funds	1,819,237	1,819,237	1,902,870	2,059,564	2,059,564
Federal Funds	0	0	0	0	0
Operating Expenses	<u>87,424</u>	<u>135,244</u>	<u>109,471</u>	<u>106,156</u>	<u>106,701</u>
General Fund	10,900	58,720	32,947	29,632	30,177
Reappropriated Funds	76,524	76,524	76,524	76,524	76,524
Federal Funds	0	0	0	0	0
Economic Forecasting Subscriptions	<u>16,362</u>	<u>16,362</u>	<u>16,362</u>	<u>16,362</u>	<u>16,362</u>
Reappropriated Funds	16,362	16,362	16,362	16,362	16,362
Evidence-based Policymaking Evaluation and Support	<u>2,798,183</u>	<u>476,870</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Cash Funds	2,798,183	476,870	500,000	500,000	500,000
Infrastructure Investment and Jobs Act Match Funding	<u>0</u>	<u>12,053,737</u>	<u>20,250,000</u>	<u>20,250,000</u>	<u>20,250,000</u>
FTE	0.0	0.0	4.0	4.0	4.0
Cash Funds	0	12,053,737	20,250,000	20,250,000	20,250,000

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
TOTAL - (3) Office of State Planning and Budgeting	5,957,947	16,297,047	24,933,943	25,000,991	25,010,327
<i>FTE</i>	<u>21.6</u>	<u>0.0</u>	<u>30.9</u>	<u>28.9</u>	<u>28.9</u>
General Fund	1,247,641	1,854,317	2,188,187	2,098,541	2,107,877
Cash Funds	2,798,183	12,530,607	20,750,000	20,750,000	20,750,000
Reappropriated Funds	1,912,123	1,912,123	1,995,756	2,152,450	2,152,450
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
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(4) ECONOMIC DEVELOPMENT PROGRAMS

Administration	<u>905,660</u>	<u>1,074,034</u>	<u>1,707,086</u>	<u>3,723,993</u>	<u>1,251,040</u>
FTE	6.0	6.0	7.3	7.3	7.3
General Fund	905,660	1,074,034	1,707,086	1,835,287	100,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	1,888,706	1,151,040
Universal High School Scholarship Program	<u>0</u>	<u>1,557,278</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	0.0	1.1	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	0	1,557,278	0	0	0
Reappropriated Funds	0	0	0	0	0
Vehicle Lease Payments	<u>13,279</u>	<u>8,798</u>	<u>17,935</u>	<u>9,469</u>	<u>9,469</u>
General Fund	13,279	8,798	17,935	9,469	9,469
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Leased Space	<u>353,756</u>	<u>359,881</u>	<u>366,618</u>	<u>452,653</u>	<u>452,653</u>
General Fund	353,756	359,881	366,618	452,653	452,653
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Global Business Development	<u>5,120,052</u>	<u>4,566,193</u>	<u>5,245,052</u>	<u>5,915,971</u>	<u>5,381,193</u>
FTE	25.4	25.4	26.6	28.4	26.4
General Fund	3,996,948	3,858,277	4,121,948	4,792,867	4,258,089
Cash Funds	573,626	4,940	573,626	573,626	573,626
Reappropriated Funds	175,000	138,537	175,000	175,000	175,000
Federal Funds	374,478	564,439	374,478	374,478	374,478
Office of Outdoor Recreation	<u>370,000</u>	<u>370,000</u>	<u>667,000</u>	<u>379,978</u>	<u>379,978</u>
FTE	3.0	3.0	5.7	3.0	3.0
General Fund	370,000	370,000	667,000	379,978	379,978
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Leading Edge Program Grants	<u>151,431</u>	<u>82,415</u>	<u>151,431</u>	<u>171,431</u>	<u>151,431</u>
General Fund	76,000	76,000	76,000	96,000	76,000
Cash Funds	75,431	6,415	75,431	75,431	75,431
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Small Business Development Centers	<u>1,378,946</u>	<u>2,033,225</u>	<u>1,771,267</u>	<u>1,771,304</u>	<u>1,771,304</u>
FTE	4.0	4.0	4.0	4.0	4.0
General Fund	94,144	94,144	486,465	486,502	486,502
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	1,284,802	1,939,081	1,284,802	1,284,802	1,284,802

JBC Staff Figure Setting - FY 2025-26
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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Colorado Office of Film, Television, and Media	<u>9,294,525</u>	<u>6,660,801</u>	<u>1,698,645</u>	<u>1,325,206</u>	<u>1,325,206</u>
FTE	4.5	5.8	4.5	4.5	4.5
General Fund	775,000	713,680	779,120	742,750	742,750
Cash Funds	8,519,525	5,947,121	919,525	582,456	582,456
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Colorado Promotion - Colorado Welcome Centers	<u>766,000</u>	<u>729,813</u>	<u>766,000</u>	<u>766,000</u>	<u>766,000</u>
FTE	3.3	0.0	3.3	3.3	3.3
General Fund	250,000	250,000	250,000	250,000	250,000
Cash Funds	516,000	479,813	516,000	516,000	516,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Colorado Promotion - Other Program Costs	<u>18,429,623</u>	<u>17,399,265</u>	<u>18,449,623</u>	<u>18,651,159</u>	<u>18,651,159</u>
FTE	4.0	7.3	4.0	4.0	4.0
General Fund	3,850,000	3,846,999	3,870,000	3,833,161	3,833,161
Cash Funds	14,579,623	13,552,266	14,579,623	14,817,998	14,817,998
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Destination Development Program	<u>1,100,000</u>	<u>554,830</u>	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>
General Fund	500,000	384,056	500,000	500,000	500,000
Cash Funds	600,000	170,774	600,000	600,000	600,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Economic Development Commission - General					
Economic Incentives and Marketing	<u>12,120,249</u>	<u>6,297,629</u>	<u>6,262,674</u>	<u>6,770,757</u>	<u>6,196,339</u>
FTE	6.5	8.6	8.3	10.6	10.6
General Fund	5,756,372	5,635,543	5,898,797	6,550,757	5,976,339
Cash Funds	363,877	337,100	363,877	220,000	220,000
Reappropriated Funds	6,000,000	324,986	0	0	0
Federal Funds	0	0	0	0	0
Colorado First Customized Job Training	<u>4,500,000</u>	<u>4,500,000</u>	<u>4,500,000</u>	<u>1,456,499</u>	<u>1,456,499</u>
General Fund	4,500,000	4,500,000	4,500,000	1,456,499	1,456,499
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
CAPCO Administration	<u>85,291</u>	<u>13,500</u>	<u>13,500</u>	<u>13,500</u>	<u>13,500</u>
FTE	2.0	2.0	0.3	0.3	0.3
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	85,291	13,500	13,500	13,500	13,500
Federal Funds	0	0	0	0	0
Council on Creative Industries	<u>14,788,734</u>	<u>3,060,728</u>	<u>4,681,232</u>	<u>4,711,013</u>	<u>4,711,013</u>
FTE	3.0	3.0	4.3	4.5	4.5
General Fund	0	0	1,352,498	1,382,279	1,382,279
Cash Funds	14,023,000	2,134,062	2,563,000	2,563,000	2,563,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	765,734	926,666	765,734	765,734	765,734

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Advanced Industries	<u>15,452,210</u>	<u>23,039,413</u>	<u>15,362,210</u>	<u>15,362,210</u>	<u>15,362,210</u>
FTE	3.4	2.6	3.4	2.6	2.6
General Fund	90,000	180,000	0	0	0
Cash Funds	15,362,210	21,428,246	15,362,210	15,362,210	15,362,210
Reappropriated Funds	0	1,431,167	0	0	0
Federal Funds	0	0	0	0	0
Rural Jump Start	<u>40,491</u>	<u>385,790</u>	<u>913,795</u>	<u>40,491</u>	<u>40,491</u>
FTE	0.5	0.5	2.0	0.5	0.5
General Fund	40,491	39,109	40,491	40,491	40,491
Cash Funds	0	0	873,304	0	0
Reappropriated Funds	0	346,681	0	0	0
Federal Funds	0	0	0	0	0
Rural Opportunity Office	<u>0</u>	<u>299,193</u>	<u>766,405</u>	<u>732,609</u>	<u>732,609</u>
FTE	0.0	3.0	5.5	5.5	5.5
General Fund	0	299,193	613,405	579,609	579,609
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	153,000	153,000	153,000
Federal Funds	0	0	0	0	0
Employee Ownership Office	<u>0</u>	<u>0</u>	<u>145,847</u>	<u>146,383</u>	<u>146,383</u>
FTE	0.0	0.0	1.0	1.3	1.3
General Fund	0	0	145,847	146,383	146,383
Opportunity Now Grant Administration	<u>0</u>	<u>0</u>	<u>109,603</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	0.8	0.0	0.0
General Fund	0	0	109,603	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Indirect Cost Assessment	<u>180,475</u>	<u>0</u>	<u>217,112</u>	<u>208,880</u>	<u>208,880</u>
General Fund	64,988	0	0	0	0
Cash Funds	115,487	0	217,112	208,880	208,880
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Appropriation to the Marijuana Entrepreneur Cash Fund	<u>0</u>	<u>0</u>	<u>800,000</u>	<u>1,500,000</u>	<u>0</u> *
Cash Funds	0	0	800,000	1,500,000	0
Informational Indirect Cost Recovery	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>700,000</u>
Cash Funds	0	0	0	0	700,000
Small business accelerated growth program	<u>0</u>	<u>680,768</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	680,768	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

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	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
TOTAL - (4) Economic Development Programs	85,050,722	73,673,554	65,713,035	65,209,506	60,807,357
<i>FTE</i>	<u>65.6</u>	<u>72.3</u>	<u>81.0</u>	<u>79.8</u>	<u>77.8</u>
General Fund	21,636,638	22,370,482	25,502,813	23,534,685	20,670,202
Cash Funds	54,728,779	45,618,015	37,443,708	37,019,601	36,219,601
Reappropriated Funds	6,260,291	2,254,871	341,500	2,230,206	1,492,540
Federal Funds	2,425,014	3,430,186	2,425,014	2,425,014	2,425,014
TOTAL - Governor - Lieutenant Governor - State					
Planning and Budgeting	150,694,590	187,518,914	161,158,969	160,390,956	156,010,041
<i>FTE</i>	<u>181.5</u>	<u>171.4</u>	<u>214.9</u>	<u>209.6</u>	<u>206.6</u>
General Fund	39,231,710	44,898,572	50,657,241	48,100,697	45,257,448
Cash Funds	85,759,885	117,011,536	96,431,036	96,398,946	95,598,946
Reappropriated Funds	9,465,258	5,762,442	5,140,703	7,006,635	6,268,969
Federal Funds	16,237,737	19,846,364	8,929,989	8,884,678	8,884,678