



Joint Budget Committee Staff

Memorandum

To: Joint Budget Committee Members
From: Craig Harper, JBC Staff Director (303-866-3481)
Date: Thursday, March 20, 2025
Subject: [Recommended Revisions to Long Bill Headnotes for FY 2025-26](#)

Pursuant to Article V, Section 32 of the State Constitution, the annual general appropriation bill (called the “Long Bill”), “shall embrace nothing but appropriations for the expense of the executive, legislative and judicial departments of the state, state institutions, interest on the public debt, and for public schools.” All other appropriations are required to be made by separate bills, each embracing a single subject. The Long Bill typically includes the following sections:

- Section 1: Definitions and general provisions (called “headnotes”).
- Section 2: Appropriations for each state department’s *operating* expenses.
- Section 3: Appropriations for *controlled maintenance and capital construction projects*. This section also includes headnotes that provide related definitions and general provisions. The Committee approved these headnotes on February 26.
- Section 4: Appropriations for *information technology projects*. This section also includes headnotes that provide related definitions and general provisions. The Committee approved these headnotes on March 14.
- Sections 5 and subsequent sections: Amendments to prior year appropriations (also known as “add-ons”).

The attached document includes staff’s recommended changes to the headnotes that will be included in section 1 of the FY 2025-26 Long Bill. The Office of Legislative Legal Services (OLLS) worked (in consultation with JBC Staff) to revise the headnotes language to clarify the language and improve readability. Staff greatly appreciates OLLS staff’s efforts and believes that the revisions are a significant improvement. The attached headnotes:

- Reference the relevant statutory provision that defines certain line items of appropriation (e.g., “personal services”, “operating expenses”, “FTE”, etc.).
- Designate assets to constitute the state emergency reserve as required by Article X, Section 20 (5) of the State Constitution (the Taxpayer’s Bill of Rights or “TABOR”). Staff will return to the Committee with a separate memo discussing emergency reserve designations for FY 2025-26.
- State that the amounts appropriated in the Long Bill indicate the maximum amount that may be expended from a certain fund source.

- Describe and define the format of the appropriated amounts, including the columns that indicate the nature of the fund source (e.g., “general fund”, “cash funds”, etc.).
- Explain the meaning of notations associated with certain appropriations (i.e., the (M), (L), (H), and (I) notations).
- State that while most amounts from federal fund sources are included for informational purposes only, the amounts from four sources of federal funds limit the expenditures of such funds (e.g., Title XX Social Services Block Grant, Maternal and Child Health Block Grant, Child Care Development Funds, and Temporary Assistance for Needy Families Block Grant).
- State that the General Assembly is not obligated to support programs that are funded with nonappropriated federal fund sources.
- State that no money appropriated in the bill shall knowingly be paid to entities that place certain restrictions on employment or membership.
- Require the State Controller to examine all contracts entered into during the fiscal year to determine whether such contracts are authorized by an appropriation in the Long Bill.

Recommended Changes

The attached document reflects recommended changes to the headnotes to correct fiscal year references in addition to the OLLS changes to improve readability. For reference, staff has also attached a “mark-up” version showing the changes from the prior (FY 2024-25) version so that interested parties can see the recommended changes.

As noted above, the headnotes also include a provision to designate the various funds (and sometimes capital assets) that make up the TABOR emergency reserve each year, which staff will address in a separate memorandum. As a preview:

- The total amount designated for the emergency reserve will need to increase by \$20.6 million to remain at 3.0 percent of “fiscal year spending” (effectively the total TABOR revenue that the State is authorized to retain and spend) under TABOR.
- Additional resources will be needed to offset a \$28.0 million decrease in the amount anticipated to be available in the State Emergency Reserve Cash Fund (from \$202.0 million designated in that fund for FY 2024-25 to a projection of \$174.0 million available for FY 2025-26).
- Staff also notes that the Governor has proposed reducing the designated amount in the Marijuana Tax Cash Fund from \$100.0 million to \$75.0 million.

For the most part, the Governor’s Office has proposed offsetting these changes by designating more capital assets as part of the reserve. Staff will present a separate memo to the Committee with recommendations concerning the TABOR emergency reserve and requests permission to update the headnotes consistent with Committee action.

Finally, staff requests permission to make other technical drafting changes that may be discovered in the process of drafting the bill.

SECTION X. Appropriation. (1) The sums included in this section are appropriated from money in the general fund or the indicated cash funds or are reappropriated funds, for the payment of the ordinary operating costs of the executive, legislative, and judicial departments of the state, and of its agencies and institutions, for the fiscal year commencing July 1, 2025.

(2) Figures in this section are listed under columns that describe certain characteristics of the figures, as follows:

(a) The figures in the "item & subtotal" column are the amounts made available by appropriation for expenditure by the department, division, institution, or entity within each line item, except for the figures that appear directly beneath a line, which figures are subtotals of the preceding line item appropriation amounts.

(b) The figures in the "total" column are the total of the "item & subtotal" amounts made available by appropriation for expenditure by the department, division, institution, or entity for each line item within the department, division, institution, or entity.

(c) The figures in the "general fund", "general fund exempt", "cash funds", "reappropriated funds", and "federal funds" columns are the amounts from each funding source made available to the department, division, institution, or program for expenditure within each line item.

(d) The figures in the "general fund" and "general fund exempt" columns are the maximum amount that may be expended by the department, division, institution, or entity for expenditure from the general fund or general fund exempt account within each line item.

(e)(I) The figures in the "cash funds" and "reappropriated funds" columns, including the figures in any related letter notes, are the amount of all non-general fund and non-general fund exempt sources and all nondirect federal fund sources that may be expended by the department, division, institution, or entity within each line item. These amounts may be cash funds established by statute, nonstatutory cash accounts, tuitions, overhead reimbursements, certain fees, governmental and nongovernmental "third-party" payments, payments for services, and interagency transfers. The figures indicate the maximum amount that may be expended from cash funds or the specified cash fund sources for the purposes shown. The amount of each cash funds or reappropriated funds appropriation is expressly declared to be nonseverable from the agency, source, and purpose of the appropriation, and shall not be used for any other agency or purpose.

(II) Whenever a state agency receives cash funds or reappropriated funds from a centralized appropriation that this act does not identify as a duplicate appropriation, this subsection (2)(e) does not apply.

(III) Whenever the controller creates an account solely for the purpose of establishing the obligation of a state agency to generate cash funds or reappropriated funds for distribution to another state agency to which this act appropriates the cash funds or reappropriated funds, this subsection (2)(e) does not apply to the account created or to the distribution.

(IV) This subsection (2)(e) does not apply to cash funds fund figures are marked

with an "(L)".

(f) The figures in the "reappropriated funds" columns are the amounts that are appropriated again subsequent to an initial appropriation in the same fiscal year. The designation of funds as reappropriated funds has no bearing on whether the appropriation of these funds constitutes a grant from the state of Colorado pursuant to section 20 (2)(d) of article X of the state constitution.

(g)(I) The figures in the "federal funds" columns are the amounts of federal funds that are earned or received by a department, division, institution, or entity for expenditure within each line item.

(II) The figures in the "federal funds" column earned or received under the following federal programs, which are subject to a state match or which are subject to transfer to other block grants, are limits on the amount of expenditures of the funds, and the funds shall be expended in accordance with applicable state and federal statutes, including all provisions of this act:

(A) Title XX Social Services Block Grant; and

(B) Maternal and Child Health Block Grant.

(III) The figures in the "federal funds" column earned or received under the following federal programs are limits on the amount of expenditures of the funds, and the funds shall be expended in accordance with applicable state and federal statutes, including all provisions of this act:

(A) Child Care Development Funds; and

(B) Temporary Assistance for Needy Families Block Grant.

(IV) The figures in the "federal funds" column for all programs other than those described in subsections (2)(g)(II) and (2)(g)(III) of this section are anticipated federal funds, and, although these funds are not appropriated by this act, they are noted for the purpose of indicating the assumption used relative to those funds in developing the basic appropriations amounts.

(3) (a) Capital letters appear directly to the right of certain figures within this act. These notations describe characteristics of the attached figure that are different than the characteristics that are described by the column that the figure is listed under as described in this subsection (3).

(b)(I) Where the letter "(M)" appears directly to the right of a figure listed in a "general fund" or "general fund exempt" column, the appropriation described by that figure, when combined with the related general fund or general fund exempt transfers from the centralized appropriations to the relevant department, division, institution, or entity, is used to support a federally supported program and is the maximum amount of general fund or general fund exempt money that may be expended in that program, except where otherwise provided.

(II) In the event that additional federal funds are available for a federally supported program, the combined general fund or general fund exempt amount noted as "(M)" is reduced by the amount of federal funds earned or received in excess of the figure shown in the "federal funds" column for that program. In the event that the federal funds

earned or received are less than the amount shown in the "federal funds" column, the combined general fund or general fund exempt amount noted as "(M)" is reduced proportionately. Where general fund or general fund exempt support is required as a condition for the acceptance of federal funds and the state matching requirements are reduced, the combined general fund or general fund exempt amount noted as "(M)" is reduced proportionately. This subsection (3)(b)(II) only applies to the general fund or general fund exempt amount that remains unexpended at the time of the change in federal requirements or funding. This subsection (3)(b)(II) does not apply to an appropriation noted as "(M)" to the department of health care policy and financing, unless the appropriation is in a line item for the executive director's office. It is intended that the general fund or general fund exempt amount and the federal funds amount be expended in equally proportioned amounts throughout the year.

(c) Where the letter (L) appears directly to the right of a figure, the funds are local government funds or funds of service organizations from which the state purchases services, the amounts of which are not appropriated in this act and the inclusion of which is informational only.

(d) Where the letter "(H)" appears directly to the right of a cash funds or reappropriated funds figure, that appropriation, when combined with the related cash funds or reappropriated funds transfers from the centralized appropriations to a department, division, institution, or entity, is used to support a federally supported program and is the maximum amount of cash funds or reappropriated funds that may be expended in that program, except where otherwise provided. In the event that additional federal funds are available for the program, the combined cash funds or reappropriated funds amount noted as "(H)" are reduced by the amount of federal funds earned or received in excess of the figure shown in the "federal funds" column for that program. In the event that the federal funds earned or received are less than the amount shown in the "federal funds" column, the combined cash funds or reappropriated funds amount noted as "(H)" are reduced proportionately. Where cash funds or reappropriated funds support is required as a condition for the acceptance of federal funds and the state matching requirements are reduced, the combined cash funds or reappropriated funds amount noted as "(H)" are reduced proportionately. These provisions apply only to the cash funds or reappropriated funds that remain unexpended at the time of the change in federal requirements or funding. The general assembly intends that the department, division, institution, or entity expend the cash funds or reappropriated funds amount and the federal funds amount in equally proportioned amounts throughout the year.

(e)(I) Where the letter "(I)" appears directly to the right of a figure or in a letter note referencing a figure, that amount is not an appropriation, nor does it limit the expenditure of the funds described by that figure. The figure is included for informational purposes only. It provides a record of funds anticipated to be expended and, in some instances, may indicate assumptions used relative to those funds in developing appropriated amounts.

(II) The "(I)" notation applies to a general fund, general fund exempt, or cash

funds figure when the amount is continuously appropriated to, or otherwise authorized by law to be spent by, a department or agency of state government pursuant to state statute or the state constitution.

(III) The "(I)" notation applies to a reappropriated funds figure when the amount is continuously appropriated to, or otherwise authorized by law to be spent by, a department or agency of state government pursuant to state statute or the state constitution or, in some instances, when the underlying federal funds source from which the amount is reappropriated is subject to the "(I)" notation.

(IV) The "(I)" notation applies to all federal funds except:

(A) When the federal funds represent a limit on expenditures as specified in subsection (2)(g)(II) of this section;

(B) When the letter "(M)" or "(H)" appears to the right of a general fund, cash funds, or reappropriated funds figure in the same line item; or

(C) When the general assembly has the authority to appropriate the federal funds.

(4) The general assembly accepts no obligation directly or indirectly for support or continuation of non-state-funded programs or grants where no direct or indirect state contribution is required. Furthermore, the general assembly accepts no obligation for costs incurred by or claimed against nonappropriated federally funded programs.

(5) Money appropriated by this act shall not knowingly be paid to any organization, business firm, person, agency, or club that places restrictions on employment or membership based on sex, sexual orientation, race, age, marital status, creed, color, religion, national origin, ancestry, or disability.

(6) Pursuant to section 24-30-202 (2), C.R.S., the controller shall examine all state contracts entered into during the fiscal year commencing July 1, 2025, to determine whether the contracts are authorized by an appropriation within this act, and, pursuant to section 24-30-202 (3), C.R.S., an agency shall not incur obligations by contract in excess of the amounts appropriated by this act.

SECTION X. Appropriation. (1) The sums included in this section act are appropriated out of any from money in the general fund, or the indicated cash funds, and or are reappropriated funds, for the payment of the ordinary operating costs of the executive, legislative, and judicial departments of the state, and of its agencies and institutions, for and during the fiscal year beginning commencing on July 1, 2025,; and;

(2) Figures in this act section are listed under columns that describe certain characteristics of the figures, as follows:

(a) The figures in the column headed "item & subtotal" column are the amounts made available by appropriation for expenditure by the department, division, institution, or entity within each line item, except for the figures that appear directly beneath a line, which figures are subtotals of the preceding line item appropriation amounts.

(b) The figures in the "total" column are the total of the "item & subtotal" amounts made available by appropriation for expenditure by the department, division, institution, or entity to which the totals relate; for each line item within the department, division, institution, or entity.

(c) The figures in the "general fund", "general fund exempt", "cash funds", "reappropriated funds", and "federal funds" columns indicate the source of funds for the amounts authorized in the expenditure columns or the source of funds for the figures that are included for informational purposes only are the amounts from each funding source made available to the department, division, institution, or program for expenditure within each line item.

(d) The figures in the "general fund" and "general fund exempt" columns indicate are the maximum amount that may be expended by the department, division, institution, or entity for expenditure from the general fund for the purposes shown or general fund exempt account within each line item.

(e)(I) The figures in the "cash funds" or and "reappropriated funds" columns, including the figures in any related letter notes, indicate are the amount of all non-general fund and non-general fund exempt sources and all nondirect federal fund sources and that may be expended by the department, division, institution, or entity within each line item. These amounts may be cash funds established by statute, nonstatutory cash accounts, tuitions, overhead reimbursements, certain fees, governmental and nongovernmental "third-party" payments, payments for services, and interagency transfers. Such The figures indicate the maximum amount that may be expended from cash funds or the specified cash fund sources for the purposes shown. The amount of each cash funds or reappropriated funds appropriation is expressly declared to be nonseverable from the agency, source, and purpose of such the appropriation, and such amount shall not be used for any other agency, source, or purpose.

(II) Whenever a state agency receives cash funds or reappropriated funds from a centralized appropriation made to the office of the executive director of such agency's department and this act does not set forth such funds as a duplicate appropriation to said receiving agency, that this act does not identify as a duplicate appropriation, the provisions of this subsection (1)(2)(e) shall does not apply. to the receipt of such funds.

(III) Whenever the controller creates an account solely for the purpose of establishing the obligation of a state agency to generate cash funds or reappropriated funds for distribution to another state agency to which such funds are appropriated by this act, the provisions of this act appropriates the cash funds or reappropriated funds, this subsection ~~(1)(e) (2)(e) shall does~~ not apply to the account created or to such the distribution.

(IV) This subsection (2)(e) does not apply ~~where this act specifically provides otherwise or where~~ to cash funds fund figures are marked with an "(L)".

(f) Reappropriated funds means money The figures in the "reappropriated funds" columns are the amounts that are appropriated again subsequent to an initial appropriation in the same fiscal year. The designation of money funds as reappropriated funds has no bearing on whether the money appropriation of these funds constitutes a grant from the state of Colorado pursuant to section 20 (2)(d) of article X of the state constitution.

(g)(I) The figures in the "federal funds" columns are the amounts of federal funds that are earned or received by a department, division, institution, or entity for expenditure within each line item.

(II) The figures in the "federal funds" column earned or received under the following federal programs, which are subject to a state match or which are subject to transfer to other block grants, ~~shall be are~~ limits on the amount of expenditures of such the funds, and such the funds shall be expended in accordance with applicable state and federal statutes, including all provisions of this act:

- (A) Title XX Social Services Block Grant; and
- (B) Maternal and Child Health Block Grant.

(III) The figures in the "federal funds" column earned or received under the following federal programs ~~shall be are~~ limits on the amount of expenditures of such the funds, and such the funds shall be expended in accordance with applicable state and federal statutes, including all provisions of this act:

- (A) Child Care Development Funds; and
- (B) Temporary Assistance for Needy Families Block Grant.

(IV) The figures in the "federal funds" column for all other programs other than those described in subsections (2)(g)(II) and (2)(g)(III) of this section are anticipated federal funds, and, although these funds are not appropriated in by this act, they are noted for the purpose of indicating the assumption used relative to those funds in developing the basic appropriations amounts.

(3) (a) Capital letters appear directly to the right of certain figures within this act. These notations describe characteristics of the attached figure that are different than the characteristics that are described by the column that the figure is listed under as described in this subsection (3).

(b)(I) Where the letter "(M)" appears directly to the right of a figure listed in a general fund or general fund exempt figure column, that general fund or general fund exempt appropriation, the appropriation described by that figure, when combined with the related general fund or general fund exempt transfers from the centralized appropriations

to the office of the executive director, relevant department, division, institution, or entity, is used to support a federally supported program and is the maximum amount of general fund or general fund exempt money that may be expended in that program, except where otherwise provided.

(II) In the event that additional federal funds are available for a federally supported program, the combined general fund or general fund exempt amount noted as "(M)" is reduced by the amount of federal funds earned or received in excess of the figure shown in the "federal funds" column for that program. In the event that the federal funds earned or received are less than the amount shown in the "federal funds" column, the combined general fund or general fund exempt amount noted as "(M)" is reduced proportionately. Where general fund or general fund exempt support is required as a condition for the acceptance of federal funds and the state matching requirements are reduced, the combined general fund or general fund exempt amount noted as "(M)" is reduced proportionately. This subsection ~~(1)(d)(H)~~ (3)(b)(II) only applies to the general fund or general fund exempt amount that remains unexpended at the time of the change in federal requirements or funding. This subsection ~~(1)(d)(H)~~ (3)(b)(II) does not apply to an appropriation noted as "(M)" to the department of health care policy and financing, unless the appropriation is in a line item for the executive director's office. It is intended that the general fund or general fund exempt amount and the federal funds amount be expended in equally proportioned amounts throughout the year.

<{***I have moved (1)(e) to (2)(e) above.***}>

(c) Where the letter (L) appears directly to the right of a figure, The "(L)" designation refers to the funds of local governments or to the funds are local government funds or funds of service organizations from which the state purchases services, the amounts of which are not appropriated in by this act and the inclusion of which is informational only.

(d) Where the letter "(H)" appears directly to the right of a cash funds or reappropriated funds figure, that appropriation, when combined with the related cash funds or reappropriated funds transfers from the centralized appropriations to the office of the executive director a department, division, institution, or entity, is used to support a federally supported program and is the maximum amount of cash funds or reappropriated money funds that may be expended in that program, except where otherwise provided. In the event that additional federal funds are available for the program, the combined cash funds or reappropriated funds amount noted as "(H)" ~~shall be are~~ reduced by the amount of federal funds earned or received in excess of the figure shown in the "federal funds" column for that program. In the event that the federal funds earned or received are less than the amount shown in the "federal funds" column, the combined cash funds or reappropriated funds amount noted as "(H)" ~~shall be are~~ reduced proportionately. Where cash funds or reappropriated funds support is required as a condition for the acceptance of federal funds and the state matching requirements are reduced, the combined cash funds or reappropriated funds amount noted as "(H)" ~~shall be are~~ reduced proportionately. These provisions ~~shall~~ apply only to the cash funds or reappropriated funds amount which

remains that remain unexpended at the time of the change in federal requirements or funding. It is intended that The general assembly intends that the department, division, institution, or entity expend the cash funds or reappropriated funds amount and the federal funds amount shall be expended in equally proportioned amounts throughout the year.

(e)(I) Where the letter "(I)" appears directly to the right of a figure or in a letter note referencing a figure, that amount is not an appropriation, nor does it limit the expenditure of such money the funds described by that figure. The figure is included for informational purposes only. It provides a record of funds anticipated to be expended and, in some instances, may indicate assumptions used relative to those funds in developing appropriated amounts.

(II) The "(I)" notation applies to a general fund, general fund exempt, or cash funds figure when the amount is continuously appropriated to, or otherwise authorized by law to be spent by, a department or agency of state government pursuant to a provision of state statute or the state constitution.

(III) The "(I)" notation applies to a reappropriated funds figure when the amount is continuously appropriated to, or otherwise authorized by law to be spent by, a department or agency of state government pursuant to a provision of state statute or the state constitution or, in some instances, when the underlying federal funds source from which the amount is reappropriated is subject to the "(I)" notation.

(IV) The "(I)" notation applies to all federal funds except:

(A) When the federal funds represent a limit on expenditures as specified in subsection ~~(1)(h)~~ (2)(g)(II) of this section;

(B) When the letter "(M)" or "(H)" appears to the right of a general fund, cash funds, or reappropriated funds figure in the same line item; or

(C) When the general assembly has the authority to appropriate the federal funds.
<***I moved subsections (1)(g) and (h) into subsection (2).***>

(4) The general assembly accepts no obligation directly or indirectly for support or continuation of non-state-funded programs or grants where no direct or indirect state contribution is required. Furthermore, the general assembly accepts no obligation for costs incurred by or claimed against nonappropriated federally funded programs.

(5) No Money appropriated by this act shall not knowingly be paid to any organization, business firm, person, agency, or club which that places restrictions on employment or membership based on sex, sexual orientation, race, age, marital status, creed, color, religion, national origin, ancestry, or disability.

(6) Pursuant to section 24-30-202 (2), C.R.S., the controller shall examine all state contracts entered into during the fiscal year commencing July 1, 2025, to determine whether such the contracts are authorized by an appropriation within this act, and, pursuant to section 24-30-202 (3), Colorado Revised Statutes C.R.S., no an agency shall not may incur obligations by contract in excess of the amounts appropriated by this act.
<***I moved (1)(l) into subsection (3).***>