

MEMORANDUM



JOINT BUDGET COMMITTEE

To Joint Budget Committee Members

FROM Jon Catlett, JBC Staff (303-866-4386)

DATE April 15, 2025

SUBJECT Marijuana Tax Cash Fund Solvency & Appropriations

This memorandum offers an overview of the Committee's actions to date, as of April 15, 2025, regarding appropriations, transfers and other legislation from the Marijuana Tax Cash Fund (MTCF) for fiscal year 2025-26.

Current Year MTCF Status & FY 2025-26 Projection

Due to downward revisions in both forecasts, the MTCF is expected to end FY 2024-25 below the 15.0 percent reserve requirement but still above the threshold of the TABOR emergency reserve. Based on the JBC's actions to reduce appropriations and transfers, as well as an increase in the proportion of marijuana special sales tax revenue going into the MTCF, the MTCF is projected to end FY 2025-26 approximately \$600,000 above the statutorily required 15.0 percent reserve, according to the OSPB forecast. **However, according to LCS projections, the MTCF is anticipated to end FY 2025-26 \$11.0 million below its required reserve.**

Marijuana Tax Cash Fund Balance (March OSPB Forecast)		
Description	FY 2024-25 Appropriated	FY 2025-26 JBC Action
Beginning Balance	\$120,578,628	\$110,306,957
Total Projected Revenue to be Collected (OSPB March '25 Forecast)	132,368,727	130,460,150
Proposal to Update Statue on Local Distribution		9,379,379
State Emergency Reserve Cash	-100,000,000	-100,000,000
Total Available after emergency reserve	\$152,947,355	\$150,146,486
Appropriations approved for FY 2024-25; FY 2025-26 base appropriations	143,542,398	129,572,137
Reduce Funding for Crisis Respose Services (S.B. 25-236)		-367,316
Reduce Funding for University of Colorado MAT Pilot Program (S.B. 25-268)		-3,000,000
Total Appropriations Including Other Legislation Reductions	\$143,542,398	\$126,204,821
Current Law Transfers to Various Justice Funds (HB 21-1315)	598,000	598,000
Transfer to BEST (S.B. 25-268)	0	0
IT Capital Request CDPS Gangs database	0	250,000
IT Capital MED Seed-to-Sale Software	1,000,000	2,980,000
Amendment MJ Entrepreneur Fund transfer (S.B. 25-268)		550,000
Estimated Reversions	-2,500,000	0
EQUALS: Total Obligations	\$142,640,398	\$130,582,821
Ending Balance Excluding Emergency Reserve	\$10,306,957	\$19,563,665
Statutorily required reserve	21,531,360	18,930,723
Amount Above/Below Statutorily Required Reserve	-\$11,224,403	\$632,942

MARIJUANA TAX CASH FUND UPDATE

APRIL 15, 2025

The table below shows MTCF appropriations by Department for FY 2024-25, as well as the Governor's FY 2025-26 request and JBC Action to date for FY 2025-26. Finally, the table indicates the difference between the Governor's request and JBC Action for FY 2025-26.

Summary of Appropriations and Transfers from the Marijuana Tax Cash Fund for FY 2024-25 & FY 2025-26

	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 JBC Action	Annual Change
Breakdown of Appropriations by Department and Program				
Agriculture:				
Pesticide control and regulation	\$1,247,195	\$1,292,141	\$1,292,141	\$0
Colorado State Fair Authority: FFA and 4-H programming	300,000	300,000	300,000	\$0
Centrally appropriated amounts not accounted for above	<u>569,324</u>	<u>560,769</u>	<u>549,370</u>	<u>(\$11,399)</u>
Subtotal: Agriculture	2,116,519	2,152,910	2,141,511	(\$11,399)
Early Childhood:				
Community and Family Support	124,682	130,408	130,408	0
Social-Emotional Learning Programs Grants	817,289	817,289	817,289	0
Centrally appropriated amounts not accounted for above	<u>48,842</u>	<u>63,860</u>	<u>61,362</u>	<u>(2,498)</u>
Subtotal: Early Childhood	990,813	1,011,557	1,009,059	(2,498)
Education:				
School Health Professionals Grant Program	15,008,617	15,033,552	15,025,080	(8,472)
Early Literacy Competitive Grant Program	0	0	0	0
Office of Dropout Prevention and Student Reengagement	2,002,857	2,005,329	2,005,329	0
Appropriation to the School Bullying Prevention and Education Cash Fund	1,000,000	1,000,000	0	(1,000,000)
Concurrent Enrollment Expansion and Innovation Grant Program	1,476,948	1,476,948	1,476,948	0
Colorado Imagination Library Program	0	0	0	0
Comprehensive Physical Education Pilot Program	0	0	0	0
K-5 Social and Emotional Health Pilot Program	2,493,916	2,493,916	0	(2,493,916)
Centrally appropriated amounts not accounted for above	<u>226,757</u>	<u>216,132</u>	<u>211,657</u>	<u>(4,475)</u>
Subtotal: Education	22,209,095	22,225,877	18,719,014	(3,506,863)
Governor:				
Evidence-based policymaking evaluation and support	500,000	500,000	300,000	(200,000)
Appropriation to Marijuana Entrepreneur Cash Fund	800,000	0	0	0
Office of Information Technology, Enterprise Solutions	453,812	453,812	453,812	0
Governor's Office	106,912	117,866	117,866	0
Centrally appropriated amounts not accounted for above	<u>49,258</u>	<u>60,844</u>	<u>62,668</u>	<u>1,824</u>
Subtotal: Governor	1,909,982	1,132,522	934,346	(198,176)
Health Care Policy and Financing:				
Training for health professionals to provide Screening, Brief Intervention, and Referral for Treatment (SBIRT) services for Medicaid clients at risk for substance abuse	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>0</u>
Subtotal: Health Care Policy and Financing	1,500,000	1,500,000	1,500,000	0
Higher Education:				
Regulating marijuana concentrates - CU School of Public Health (H.B. 21-1317)	2,000,000	1,000,000	2,000,000	1,000,000
Medication-assisted Treatment Pilot Program (S.B.25 - 268)	3,000,000	3,000,000	3,000,000	0

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	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 JBC Action	Annual Change
Breakdown of Appropriations by Department and Program				
Institute of Cannabis Research at CSU-Pueblo (S.B. 16-191)	3,800,000	3,800,000	3,075,000	(725,000)
AgrAbility project at CSU (S.B. 21-137)	900,000	900,000	900,000	0
Opioid awareness campaign, grant assistance, and provider education per Section 27-80-118, C.R.S.	1,250,000	1,250,000	1,250,000	0
Subtotal: Higher Education	10,950,000	9,950,000	10,225,000	275,000
Human Services:				
BHA - SB 16-202 MSO/BHASO Increase regional substance use treatment access)	16,938,566	16,938,566	16,938,566	0
BHA - Co-responder programs	6,099,775	6,214,123	6,214,123	0
BHA - Circle program and rural treatment	5,741,377	5,829,663	5,829,663	0
BHA - CMHC juvenile and adult offender treatment	6,210,075	6,210,075	6,210,075	0
BHA - Crisis services	5,308,720	5,308,720	5,308,720	0
OCYF - Colorado Youth Detention Continuum (CYDC/SB 91-094 Programs) (S.B. 91-094)	3,346,113	3,346,113	3,346,113	0
OCYF - Approp. to Youth Mentoring Services Fund for TGYS	1,649,572	1,657,147	1,657,147	0
BHA - HB 22-1278 Substance use prevention programs	642,479	642,479	642,479	0
BHA - Administrative costs	1,016,369	1,190,158	1,190,158	0
BHA - MSO/BHASO substance use contracts	6,825,126	7,325,126	5,325,126	(2,000,000)
OCFMH - State hospital admin and operating	722,041	946,133	946,133	0
OCYF - Approp. to Youth Mentoring Services Fund for TGYS	500,000	500,000	500,000	0
BHA - Treatment for non-Medicaid, non-Child welfare youth	453,698	453,698	453,698	0
BHA - SB 17-019 Health information exchange	760,700	760,700	760,700	0
OCYF - Administrative costs	437	437	437	0
BHA - HB 19-1287 Capacity tracking system	42,611	42,611	42,611	0
DHS - Indirect and centrally appropriated costs	3,868,015	3,809,681	3,737,673	(72,008)
Subtotal: Human Services	60,125,674	61,175,430	59,103,422	(2,072,008)
Judicial:				
Appropriation to the Correctional Treatment Cash Fund for jail-based behavioral health services (administered through the Department of Human Services)	1,626,967	0	1,626,967	1,626,967
Trial court programs	1,107,724	1,107,724	1,107,724	0
Subtotal: Judicial	2,734,691	1,107,724	2,734,691	1,626,967
Labor and Employment:				
Colorado Veterans' Service-to-career Pilot Program (H.B. 16-1267)	0	0	0	0
Subtotal: Labor and Employment	0	0	0	0
Law:				
Local law enforcement training through the Peace Officers Standards and Training (POST) Board	1,036,766	1,036,766	1,036,766	0
Office of Community Engagement/Safe2Tell	0	0	0	0
Consumer Protection and Antitrust (S.B. 22-205)	583,000	583,000	583,000	0
Centrally appropriated amounts not accounted for above	89,787	89,787	89,787	0
Subtotal: Law	1,709,553	1,709,553	1,709,553	0
Local Affairs:				

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	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 JBC Action	Annual Change
Breakdown of Appropriations by Department and Program				
Affordable Housing Construction Grants and Loans	0	0	0	0
Gray and Black Market Marijuana Enforcement Efforts (H.B. 17-1221)	970,217	970,217	175,100	(795,117)
Low income rental subsidies	939,649	939,649	939,649	0
Division of Housing Administration	61,140	61,140	68,536	7,396
Indirect cost assessments and centrally appropriated amounts not accounted for above	<u>272,096</u>	<u>183,156</u>	<u>173,818</u>	<u>(9,338)</u>
Subtotal: Local Affairs	2,243,102	2,154,162	1,357,103	(797,059)
Public Health and Environment:				
Substance abuse prevention	10,065,977	10,065,977	6,719,277	(3,346,700)
Public awareness campaign	976,202	976,202	144,202	(832,000)
Colorado Health Service Corps Program (S.B. 18-024)	3,605,101	3,605,101	1,605,101	(2,000,000)
Distributions to Local Public Health Agencies	1,988,225	1,988,225	1,988,225	0
Transfer to Harm Reduction Cash Fund	1,800,000	1,800,000	1,800,000	0
Healthy Kids Colorado Survey	768,127	768,127	768,127	0
Marijuana Health Effects Monitoring	375,426	375,426	371,114	(4,312)
Health survey data collection	244,134	244,134	244,134	0
Data collection and analysis (S.B. 13-283)	227,302	227,302	227,302	0
Enhanced marijuana data collection through Rocky Mountain Poison and Drug	60,100	60,100	60,100	0
Executive Director's Office, Personal Services	10,948	10,948	10,948	0
Marijuana lab certification	1,156,232	1,156,232	1,156,232	0
Indirect cost assessments and centrally appropriated amounts not accounted for above	<u>2,495,972</u>	<u>2,495,972</u>	<u>2,381,086</u>	<u>(114,886)</u>
Subtotal: Public Health and Environment	23,773,746	23,773,746	17,475,848	(6,297,898)
Public Safety:				
Black market marijuana interdiction/state toxicology lab	4,524,012	4,651,956	4,651,956	0
Office of School Safety-Emergency School Safety Incident Response	250,000	250,000	250,000	0
Division of Criminal Justice - Study of the impacts of the legalization of retail marijuana (S.B. 13-283/S.B. 16-191), and Law Enforcement Assistance Grant Program (H.B. 18-1020)	502,954	511,918	211,918	(300,000)
Juvenile diversion programs	400,000	400,000	400,000	0
Youth Delinquency Prevention and Intervention Grants Program (legislation requested)	0	1,000,000	0	(1,000,000)
Safer Streets Grant Program		4,400,000	0	(4,400,000)
State Patrol training academy	150,000	150,000	150,000	0
Public Safety Intelligence Support Related to the Illegal Sale and Diversion of Marijuana	85,352	95,352	95,352	0
Indirect cost assessments and/or centrally appropriated amounts not accounted for above	<u>1,736,243</u>	<u>1,771,266</u>	<u>1,772,702</u>	<u>1,436</u>
Subtotal: Public Safety	7,648,561	13,230,492	7,531,928	(5,698,564)

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	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 JBC Action	Annual Change
Breakdown of Appropriations by Department and Program				
Regulatory Agencies:				
Division of Professions and Occupations for medical marijuana enforcement	120,807	120,807	120,807	0
Centrally appropriated amounts not accounted for above	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal: Regulatory Agencies	120,807	120,807	120,807	0
Revenue:				
Marijuana Enforcement	3,500,000	3,500,000	3,500,000	0
Centrally appropriated amounts not accounted for above	<u>1,059,855</u>	<u>1,059,855</u>	<u>1,059,855</u>	<u>0</u>
Subtotal: Revenue	4,559,855	4,559,855	4,559,855	0
Transportation:				
Marijuana impaired driving campaign	950,000	950,000	450,000	(500,000)
Impairment device study (HB 22-1321)	0	0	0	0
Subtotal: Transportation	950,000	950,000	450,000	(500,000)
Total Long Bill Appropriations	\$143,542,398	\$146,754,635	\$129,572,137	(\$17,182,498)
Statutory Transfers & Other Legislation				
				0
Reduce Funding for Crisis Response (S.B. 25-236)	0	0	(367,316)	(367,316)
Reduce Funding for MAT program (S.B. 25-268)	0	0	(3,000,000)	(3,000,000)
IT capital Seed to sale MTCF Transfer (H.B. 24-1425)	1,000,000	3,080,000	2,980,000	(100,000)
Proposed Transfer IT Capital CDPS Placeholder		1,600,000	250,000	(1,350,000)
Transfer to Marijuana Entrepreneur Fund (S.B. 25-268)	0	0	550,000	550,000
Transfer to Public School Capital Const. Assistance Fund (S.B. 25-268)	0	0	0	0
Transfers to various criminal justice related funds (H.B. 21-1315)	598,000	598,000	598,000	0
Total Statutory Transfers & Other Legislation	\$1,598,000	\$5,278,000	\$1,010,684	(\$4,267,316)
Total Appropriations and Transfers from the Marijuana Tax Cash Fund	\$145,140,398	\$152,032,635	\$130,582,821	(\$21,449,814)