



FY 2022-23 BUDGET REQUEST

Governor Jared Polis

Saving People Money and Protecting the Colorado Way of Life

We have an urgent call in the aftermath of this pandemic to use all the levers at our disposal to keep Colorado affordable, protect our quality of life, increase wages, and keep Colorado moving forward.



HISTORIC INVESTMENTS IN THIS BUDGET

- ★ Record investment for K12 Education, highest per pupil spending in history
- ★ Fee relief and payroll protection for individuals and businesses
- ★ Improvements for public safety, air quality, housing that's affordable, and mental health
- ★ Fiscal responsibility including record reserves

...and much more



ONE-TIME INVESTMENTS AND PREPAYS

FY 2022-23 Overview of Key Budget Components		
Item	Amount (\$M)	Notes
Fiscal Responsibility	\$4,834.0	
Historic 15% General Fund Reserve	\$1,997.0	
Modest General Fund Operating Growth	\$1,000.0	8.15% Increase
Prepay Priorities	\$1,837.0	
One-Time State Investments (Including Capital)	\$1,588.8	
Historic Buy-Down of Budget Stabilization Factor	\$150.0	+\$300M Prepays
Fee Relief for Individuals and Businesses	\$103.9	(Including FAMILI Relief)
Workforce Investments	\$50.7	+\$95M ARPA/Cash Fund
Unemployment Insurance Trust Fund Premium Relief	\$500.0	+\$100M ARPA
Public Safety Investment Package	\$45.0	+\$17.8M GF Operating +\$1.3M HUTF Operating +\$48.9 ARPA
Air Quality Investments	\$424.3	
Capital Investment to Repair and Maintain Critical State Assets	\$314.9	+61.5M CF +\$5.5M FF
ARPA Investments	\$845.0	\$798M Remaining Balance
Affordable Housing and Homeownership	\$175.0	\$225M Remaining Balance
Mental and Behavioral Health	\$275.0	\$176M Remaining Balance
Workforce Development and Education	\$95.0	\$0M Remaining Balance
Economic Recovery and Relief	\$300.0	\$397M Remaining Balance

ELEMENTS OF BUDGET FY 2022-23

This budget includes **four key elements** that will bolster the economic recovery, invest in the future, and move Colorado forward.

1

Fiscal Responsibility

2

Historic Investments in Education & Workforce

3

Putting Money Back in Coloradans Paychecks & Supporting Colorado Businesses

4

Healthy and Safe Communities





Fiscal Responsibility



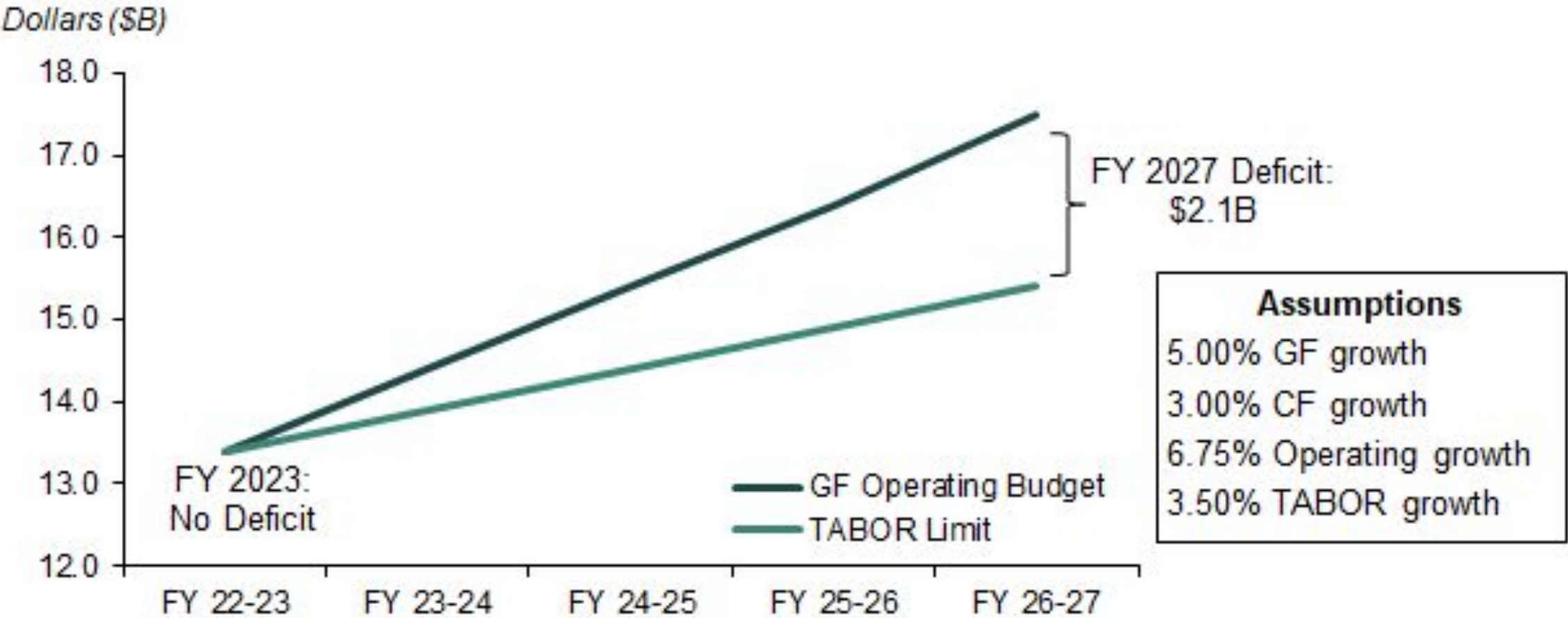
Fiscal Responsibility

- Historic General Fund Reserve of 15% (pre-pandemic only 7.25%)
- \$1.84 billion investment to prepay some of the state's most important programs to ensure funding of these essential services and protect our future fiscal foundation
 - State employee pay and family leave
 - K12 and Preschool Education Funding
 - Transportation
 - and others
- ARPA Priorities that **Leverage Funds** for Transformational Change in Housing Affordability, Behavioral Health and Others



ONE-TIME FUNDS AVAILABLE BUT LONG-TERM PRESSURES REMAIN

General Fund Structural Deficit without Prepays



Source: Office of State Planning and Budgeting

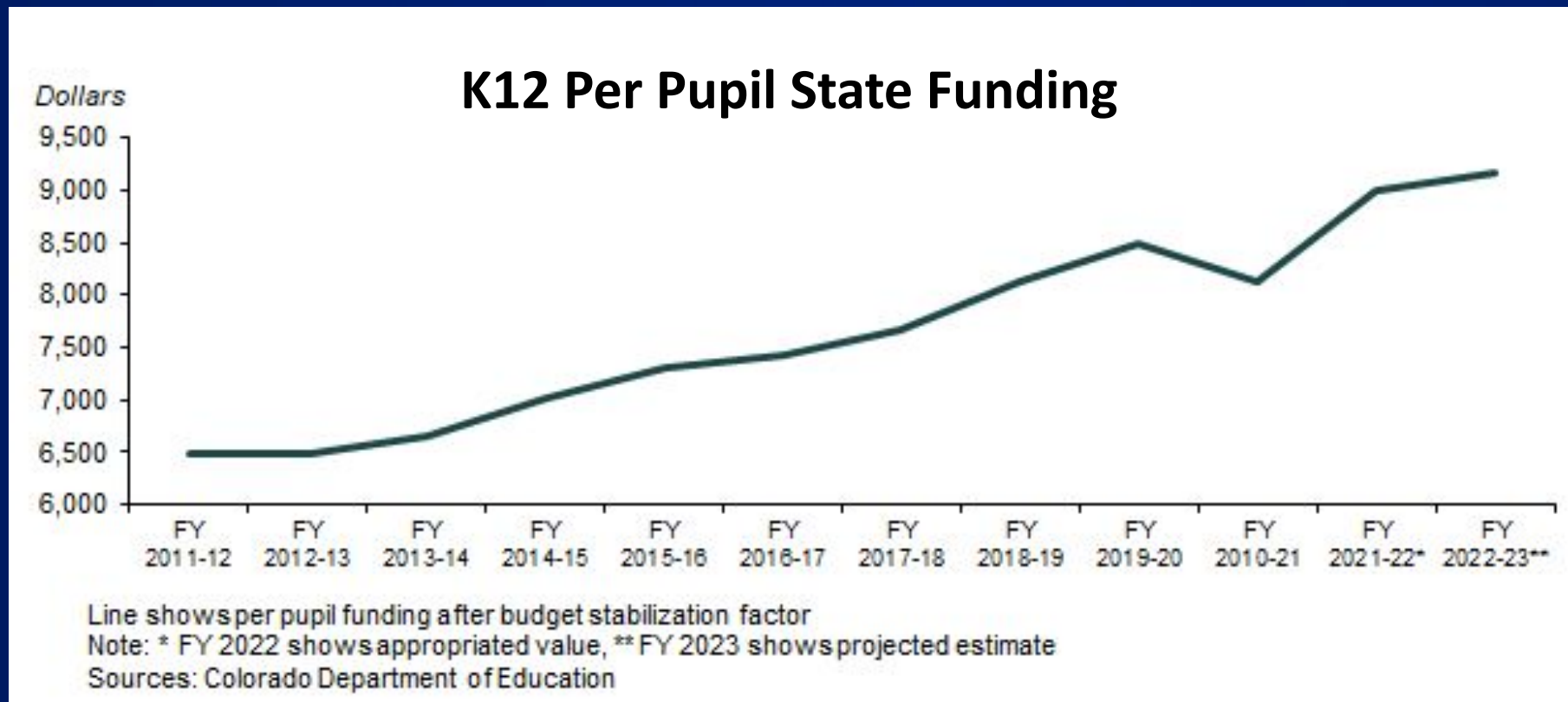


Historic Investments in Education & Workforce



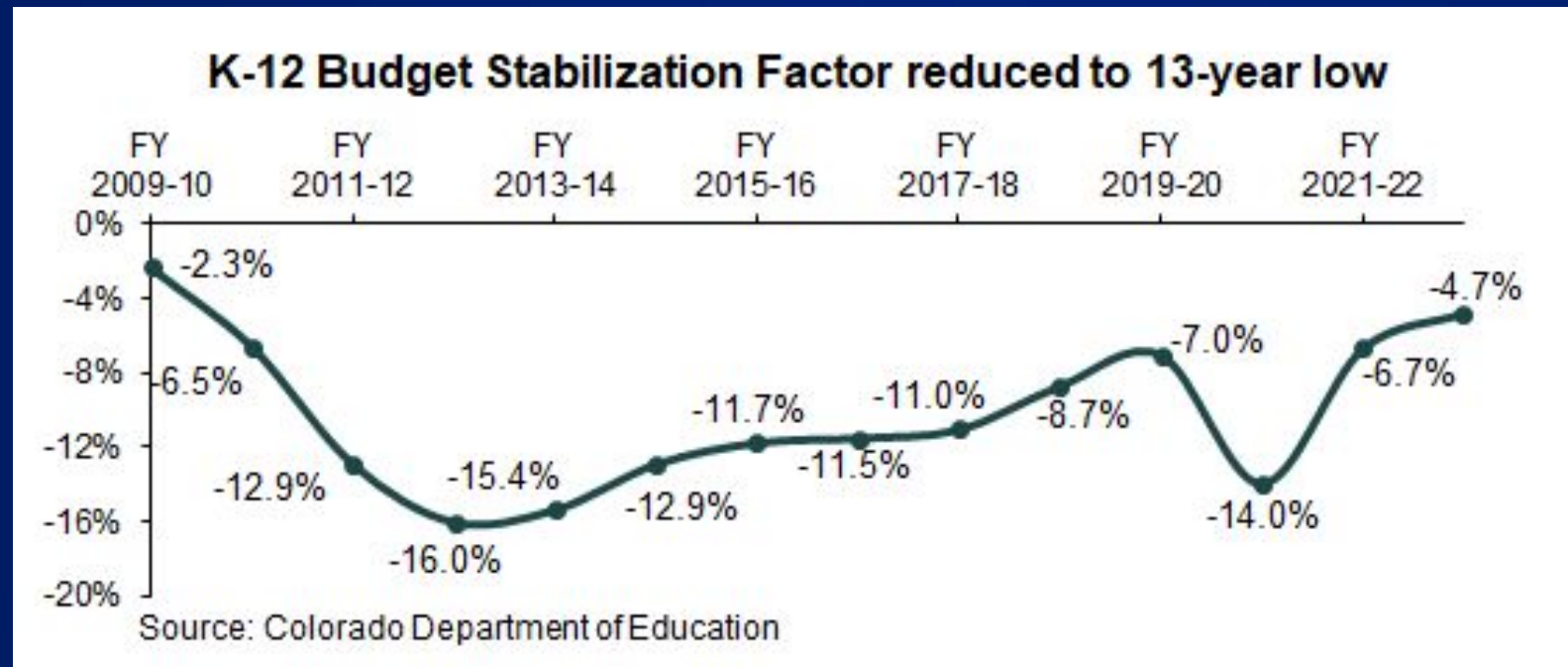
K12 EDUCATION AND EARLY CHILDHOOD

- K12 per pupil funding up \$526 to highest level ever
- Free Universal Preschool implementation - New Department of Early Childhood



EDUCATION AND WORKFORCE

- Historic \$150 million for K12 to achieve **lowest Budget Stabilization Factor of 4.7%** since its peak of 16% in FY 2012-13, and \$300M in Prepays to protect that investment for the years ahead
- Operating support for Higher Ed Institutions parallel to per pupil and inflationary increase of 4.6% for K12, investments to keep costs down, and more financial aid
- \$30 million to renovate state and higher ed buildings to provide **child care**, plus \$21 million to help workers find good paying jobs





Putting Money Back in Coloradans Paychecks and Supporting Colorado Businesses



PUTTING MONEY BACK IN COLORADANS PAYCHECKS & SUPPORTING COLORADO BUSINESSES

This budget invests in our workers and our small businesses with unemployment and FAML I insurance premium relief, putting more money in Coloradans' paychecks.

- \$104 million in Fee Relief for Individuals and Businesses, including making it **Free to Start a Business**, FAML I Paid Family and Medical Leave premium relief, and **Healthcare Professionals** fee relief
- \$600 million for Relief from Pandemic-Related Unemployment Insurance charges to save employers money and protect worker wages
- \$51 million to help businesses find workers and help workers find good-paying jobs through short-term credentials and apprenticeships



SAVING PEOPLE MONEY ON HEALTH AND BEHAVIORAL CARE

- \$530 million over three years to protect and transform home and community based services → **\$15/hour wages** to ensure Medicaid access to services
- \$24 million for innovation to reward high quality care that is cost-effective (HCPF and DOI alternative payment models)
- \$11 million for e-Health Innovations to enable critical data and technology for rural healthcare providers
 - Builds on important strides made last session to **Save People Money on Healthcare** through the passage of Colorado Health Insurance Option and the creation of a Prescription Drug Affordability Review Board
 - Adds to Transformational ARPA Investments in Behavioral Health, including new Behavioral Health Authority





Healthy and Safe Communities



INVESTING IN PUBLIC SAFETY AND FIGHTING CRIME

- \$113 million in public safety investments to reduce crime for **safe communities**
 - Public safety workforce transformations including grants for innovative programs to reduce corrections costs, hospitalizations, and recidivism
 - Diversion, co-responding, and recidivism reduction investments to prevent at-risk individuals from becoming involved, or further involved, in the criminal justice system
 - Forensic and investigative resources
 - Behavioral health workforce investments, especially in underserved communities
 - loan forgiveness to attract and retain behavioral health providers
 - providing scholarships
 - leveraging incentive payments in underserved communities



HOMELESSNESS RESPONSE AND SOLUTIONS

- Prioritizing \$200 million from the Economic Recovery and Relief fund to reduce homelessness: Competitive grants matched with local and private resources for community implementation efforts
 - Denver Support Recovery Campus
 - Ridge View Regional Recovery Campus
 - Data Collection and Outreach
 - Support for municipal efforts to reduce homelessness



INVESTING IN COLORADO MAIN STREETS

- Building on a \$52 million investment made over the past year, I am requesting an additional investment of \$40 million for designing and building safer streets.
- CDOT's Main Street Program improves economic activity, community, safety, and recreation across the state.
- New funds will establish better multimodal access including pedestrian and bike access along state highways in urban areas, and will aim to bolster transit service as quickly as possible.



AIR QUALITY

- \$424 million in one-time investments to improve air quality in Colorado
 - Electrification of transit, especially school buses that put children's health at risk
 - Decarbonization of industry and aviation
 - Cannabis industry efficiency
- Must act now to address urgency with one-time funds to address air pollution
- This package builds on 48 bills from the 2021 legislative session and advances Bold Goal of 100% renewable energy by 2040 and HB-19-1261 goals

Air pollution and other environmental threats fall disproportionately on lower income communities and communities of color



HOUSING THAT'S AFFORDABLE

\$400 million ARPA investment that can be leveraged two times or more

Key Priorities:

- \$100 million for investments in strong communities, to provide infrastructure grants for local infill infrastructure needs to help support and catalyze affordable housing development
- \$25M for financing energy improvements in affordable housing
- \$25M for housing innovation incentives to support and grow businesses in prefabricated housing
- \$25M for Colorado Housing and Finance Authority's Middle Income Access Program



THANK YOU

More Federal Funds Information
Attached

[Link to OSPB webpage for Emergency & Stimulus Funds](#)



American Rescue Plan Act (ARPA) Interim Committee Priorities

Federal Funds Interim Committee Package - ARPA			
Affordable Housing and Homeownership: \$175M	DOLA	Investments in Strong Communities	\$100M
	DOLA	Financing Energy Improvements in Affordable Housing	\$25M
	OEDIT	Housing Innovation Incentive	\$25M
	DOLA	Colorado Housing and Finance Authority Middle Income Access Program	\$25M
Mental and Behavioral Health: \$275M	CDHS/CDPHE/DPS	Grants to Local Communities	\$175M
	HCPF	Care Integration and Payment Reform	\$45M
	CDHS	Residential Facility for Children and Youth with Complex Needs	\$35M
	HCPF/CDPHE	Key Workforce Investments to Build a Robust Pipeline for Our Behavioral Health System, Such as Retention/Recruitment Strategies	\$20M
Workforce Development and Education: \$95M	CDHE	Higher Education Dashboard	\$3M
	CDHE	Regional Talent Collaborative Programs: connecting supply and demand sides of CO economy through more high-demand, high-wage credentials and pathways	\$92M
Economic Recovery and Relief: \$426M (\$300M Governor's Priorities, \$126M High Impact Agency Proposals)	Governor Priorities		\$300M
	CDLE	Unemployment insurance trust fund relief to reduce employer premiums	\$100M
	DOLA, CDHS	Homelessness Response and Solutions: Connecting people experiencing homelessness to services, treatment, temporary shelter and housing	\$200M
	Other High Impact Agency Proposals by Category		\$126M
	Economic Resilience		\$17M
	OEDIT	Technical assistance for community development financial institutions and small business development centers	
	CDOT	Additional investment in the Revitalizing Main Streets Program	
	Rural Economy		\$91M
	DNR/CDA	Groundwater recovery for rural and agricultural resilience	
	DNR	State Parks broadband, water, and sewer projects	
	CDA	Industrial hemp center of excellence	
	OEDIT	Outdoor recreation and tourism funding to modernize Colorado welcome centers	
	HCPF/OeHi	Rural health affordability, access, and system transformation	
	CDHE	Cumbres and Toltec railroad funding	
	CDHE	Funding for rural community colleges and technology for workforce development	
	Economic Relief		\$18M
	OEDIT	Nonprofit grant assistance	
	CDHS	TANF subsidized training and employment	
	CDHS	Employment First program for SNAP recipients	



\$19B American Rescue Plan Act Investments to Date

ARPA Stimulus Investments, by Department and Program				
Department	SLFRF (\$M)	Direct to Agency Award (DAA) Funds (\$M)	Pass-through Funds (\$M)	Direct to Beneficiary Funds (\$M)
CDA	0.0	0.0	0.0	225.0
CDE	8.5	0.0	0.0	1,167.2
CDHE	79.1	0.0	0.0	500.8
CDHS	100.3	783.2	0.0	11.2
CDLE	60.0	0.0	490.0	2,395.1
CDOT	380.0	18.8	0.0	359.4
CDPHE	27.0	289.1	0.0	150.1
DNR	0.0	0.0	0.0	0.0
DOL	0.0	0.0	0.0	0.0
DOLA	168.5	402.4	0.0	45.7
DOR	0.0	0.0	0.0	10,407.3
DPA	0.5	0.0	0.0	0.0
DPS	6.0	0.0	0.0	0.0
GOV	300.0	0.0	41.0	0.0
HCPF	0.3	330.5	0.7	0.0
JUD	5.3	0.0	0.0	0.0
LG	0.0	6.1	0.0	7.3
OEDIT	50.0	97.7	0.0	676.7
OIT	70.0	171.0	0.0	0.0
Non-Department	0.0	0.0	1.4	2,907.1
Unappropriated SLFRF	2,573.4	0.0	0.0	0.0
Total (\$M)	3,828.8	2,098.7	533.1	18,852.8

