
Policy Matters

LLC



COLORADO ★ WASHINGTON

COLORADO STATE BUDGET
PRESENTATION
FY 2021-2022

City & County of Denver
Finance & Governance Committee



CONTENTS

- Budget Overview
- Budget Restoration
- Stimulus
- FY 2021-22 Long Bill Highlights
- Human Services
- Provider Rates
- Child Welfare
- Child Care Assistance



BUDGET OVERVIEW

- This was a highly unusual session – it was the year of 3 budget cycles (the normal budget cycle and the 2 federal stimulus bills).
- This was also the year of massive spending across the board.
- \$3 billion in somewhat unexpected excess state revenues allowed lawmakers to restore 2020 budget cuts; spend nearly \$1 billion on pandemic relief and stimulus and sock away an historically large reserve.



BUDGET RESTORATION

- Two things made it possible for the JBC to engineer a dramatic budget recovery:
 - During the 2020 legislative session, fearing the pandemic would shrink state revenues, the JBC made major cuts across the board – setting the budget 4 percent below the \$33 billion allocated for FY 2019-20.
 - Second, it turned out later that COVID-19 didn't reduce revenue in 2019-20. Just before the 2021 session convened in January, lawmakers learned they had about \$3 billion in “extra” funds to spend or save in 2021-22.
- Restored cuts to K-12 and higher ed (\$1b); state employee raise; restored and increased community provider rates.
- Increased the state reserve to \$1.7 billion.
- \$800 million for state funded pandemic relief programs and economic stimulus.



STIMULUS

- Federal Stimulus funding is not accounted for in the State Long Bill and went through a separate allocation process than General Fund revenues.
- CARES state allocation of \$1.7 billion.
- American Rescue Plan Act aid to CO - \$27 billion total including \$3.8 billion direct to State.
- Much of that money (\$350m) was spent via targeted legislation plus \$380 million for transportation.
- The legislature will spend the remaining \$1.7 billion during the 2022 legislative session.
- State Stimulus (General Fund) - \$823 million



FY 2021-22
LONG BILL
HIGHLIGHTS

- **Grand Total:** \$34.61 billion
- **General Fund:** \$11.93 billion
- **Cash Funds:** \$9.53 billion
- **Federal Funds:** \$10.96 billion
- **Reserve:** \$1.7 billion, 13.4 percent



HUMAN SERVICES OVERVIEW

- **Grand Total:** \$2.3 billion
- **General Fund:** \$1 billion
- **Cash Funds:** \$421.8 million
- **Reappropriated Funds:** \$209.4 million
- **Federal Funds:** \$709 million
- **FTE:** 5180.3



PROVIDER RATES

- Successfully opposed a one percent reduction to the county administration line item that should've been taken during the last budget cycle. This was the only line item that received a one-time targeted increase last year due to this omission by the CDHS.
- 2.5 percent across the board increase to community providers (\$13.9 million General Fund).
 - This is a reversal of the one percent reduction taken last year.
 - Plus a 1.5 percent increase for next year.



CHILD WELFARE

- \$22.3 million Total Funds including \$10.6 million General Fund to increase child welfare provider rates – pursuant to previous legislation.
- Community Provider increase of \$11.9 million total funds including \$6.7 million General Fund.
- An increase to the Family First Prevention Services Act of \$1,791,157 including \$1.6 million General Fund for the implementation of this Act.
- Lawmakers also approved a package of five bills intended to modernize the child welfare funding system, the centerpiece of which is SB 21-278, which makes various changes in the child welfare allocation formula for out of home placements.



CHILD CARE ASSISTANCE

- 2.5 percent provider rate increase.
- Funding was held constant from FY 2020-21 – no increased slots.



QUESTIONS?