



COLORADO BUDGET THEN AND NOW

A Snapshot of State Spending and How it
has Changed Over the Last 20 Years

Updated – January 8, 2020

THIS IS THE THIRD ANNUAL RELEASE OF COLORADO BUDGET: THEN AND NOW

Colorado Budget: Then and Now presents a big picture view of how spending by the state of Colorado has changed over the past 20 years. Leading into the 2020 legislative session, it is important to be aware of the history of spending and the entirety of the budget, along with a focus on singular issues.

These charts should prompt more "Why?" questions and help frame the perpetual debate that shapes the priorities of our state government spending.

About CSPR

Common Sense Policy Roundtable (CSPR) is a non-profit free-enterprise think tank dedicated to the protection and promotion of Colorado's economy.

We believe sound fiscal and economic research is essential to uphold Colorado's economic vitality, future, and individual opportunity.

METHODOLOGY

The findings of this report are generated from the annual appropriations reports compiled by the Colorado Joint Budget Committee Staff. These reports draw from each of the annual legislative bills which authorizes funding for each state department. The reports provided to CSPR include appropriations from all funds including General Funds, Cash Funds, Federal Funds, Reappropriated Funds and Capital Construction Funds. Reappropriated Funds represent transfers of money from one agency to another after the initial appropriation. To avoid showing this double counting, all Reappropriated Funds were removed. Therefore this shows the departments that received the appropriation and not necessarily the department that eventually spent the money. However, as is the case with most of Higher Education, (which received 43% of all reappropriations in FY2020) some Reappropriated funds are transferred between agencies within the same department. Given Reappropriations were not explicitly separated in the appropriations reports for FY2000, a methodology was developed to remove the likely reappropriations from the reported category of Cash Funds Exempt by identifying funds labeled as "Transfers" and cross-referencing current list of Reappropriated Fund categories, to be able to create an appropriate comparison between years. Capital Construction Funds allocated to each department were added to the operating appropriations totals. For fiscal year 2000, capital construction allocations from just the Long Bill were included. Separate bills authorizing Capital Construction Fund appropriations were not included, however they are a relatively small dollar amount when compared to the Long Bill and total appropriations. The adjustments to appropriations to reflect spending per Coloradan after adjusting for inflation used data from the Colorado Office of Demography and the Consumer Price Index for the Denver MSA developed by the Bureau of Labor Statistics

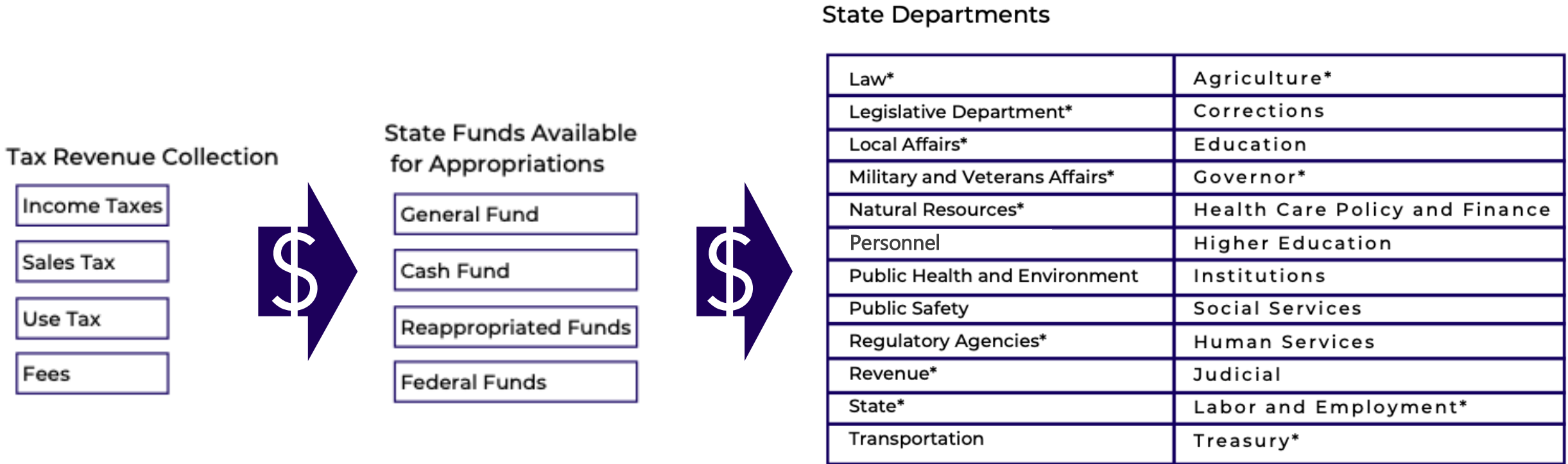
How much money does the state of Colorado spend annually?

Fiscal Year 2020 Appropriations

\$30,669,471,166

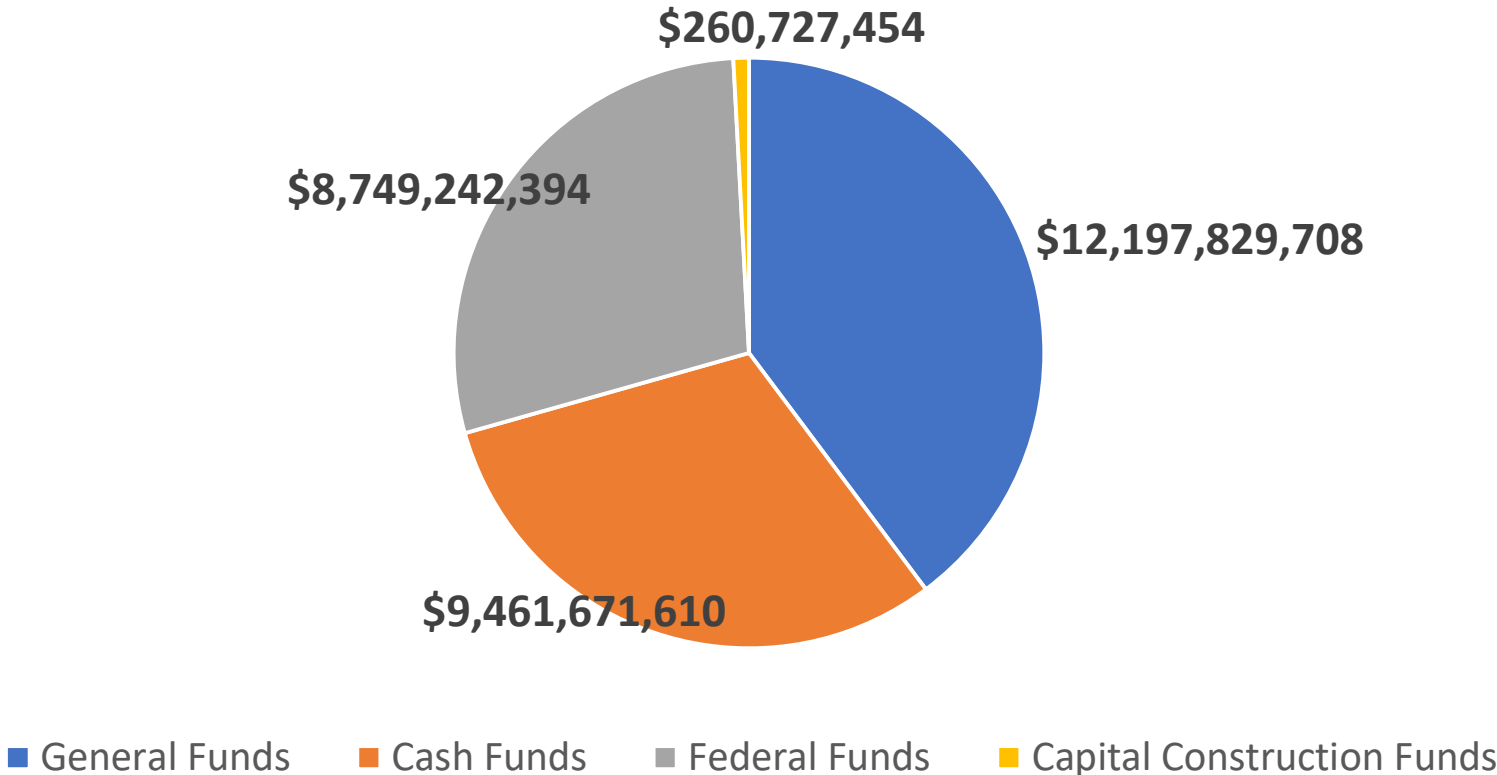
Each year, the state's legislature approves hundreds of bills that dictate how public tax revenue will be spent. The total amount of state spending through these legislative decisions is called total appropriations. The current budget cycle, fiscal year 2020, runs from July 1, 2019 through June 31, 2020, and as of December 2019, the total appropriations for the current fiscal year, FY2020, are expected to be \$30.669 Billion.

State government spending flow of tax revenue to state departments



The image above shows the general flow of state spending from the taxable source to the state department that is then allocated and authorized to spend the revenue by the state legislature. There are many agencies within each department, but for the purpose of this report, appropriations are only shown by the fund or department. For two figures in this report, the state departments with a * are aggregated to a single category of "Other." Combined they represent less than 9% of appropriations in FY2020.

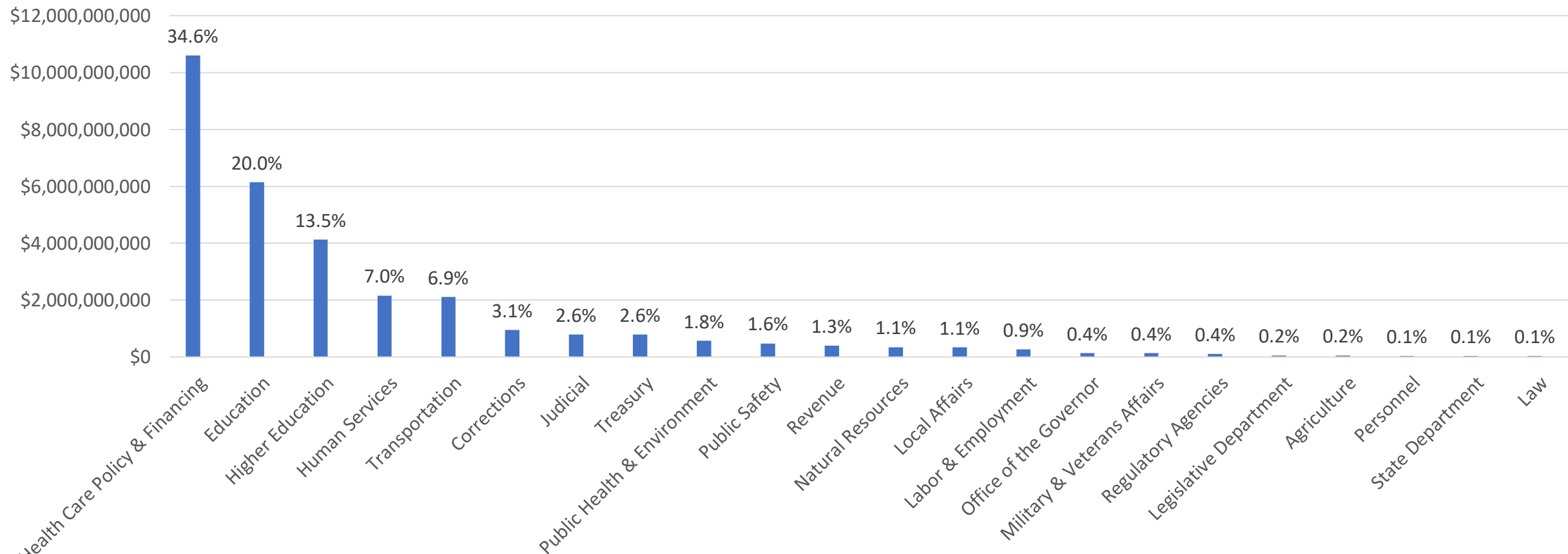
Colorado Budget: Then and Now
How much of **state government spending** comes from each type of fund?
Fiscal Year 2020 Appropriations By Fund Source



The revenue available to the state legislature comes from many different sources. After revenue is collected, it goes to different funds that are then used to spend on different government services. Local taxes and fees go to both the state's general fund and cash funds. Federal tax revenue allocated to Colorado go to federal funds.

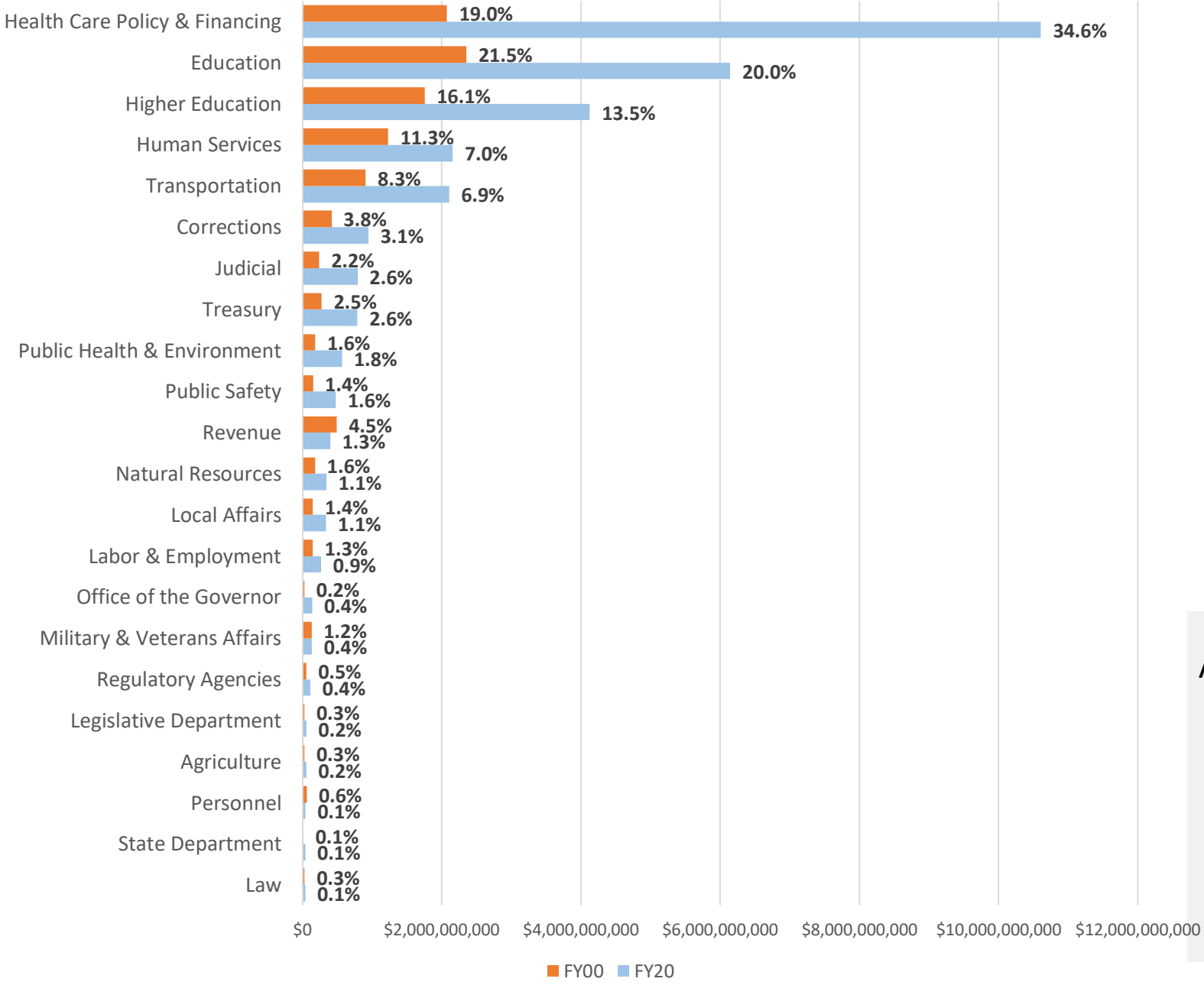
Colorado Budget: Then and Now

How much of **all state government spending** goes to each state department? Fiscal Year 2020 Appropriations By Department



Through the budgeting process, the legislature appropriates tax revenue to multiple state departments to authorize spending to perform the functions of government. Total appropriations include revenue from the General Fund, Cash Funds, Federal Funds and the Capital Construction Fund. The departments that receive the largest allocations generally spend that money on transfer programs such as health care payments through Medicaid or on direct government services and infrastructure such as schools and roads.

Source: Colorado Joint Budget Committee Reports



How does **all state government spending** by department compare?

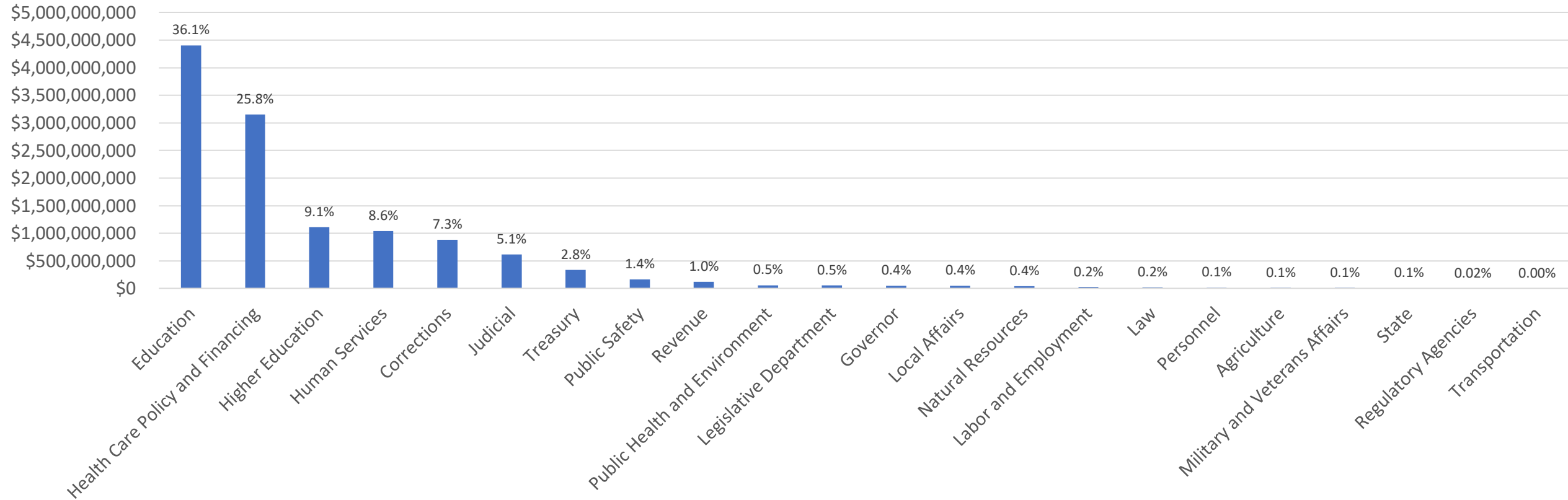
Fiscal Year 2000 and 2020 Appropriations By Department

Adding all appropriations from both FY 2000 and FY 2020 to the same chart shows that while each department has seen an increase in total appropriations, the relative spending on each department has changed.

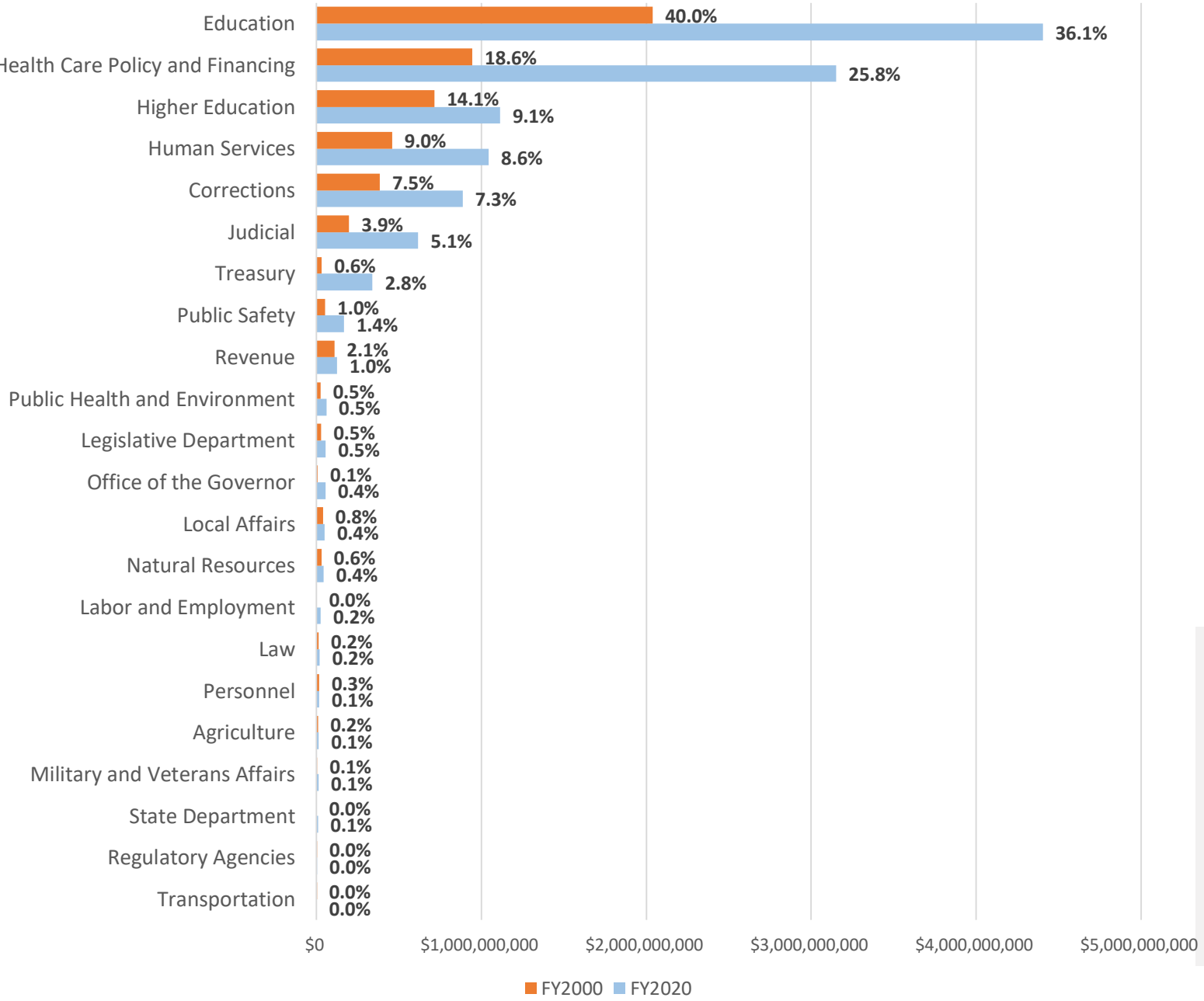
Source: Colorado Joint Budget Committee Reports

Colorado Budget: Then and Now

How much state government **spending from the General Fund** goes to each state department?
 Fiscal year 2020 General Fund Appropriations By Department



General fund appropriations are one category of all appropriations and represent the areas where legislators have the most discretion in setting budget priorities. Some aspects of General Fund spending are required by law to be spent a certain way, and annually automatically receive a portion of any growth. Any additional surplus revenue within the General Fund in any given year is then spent according to the policy priorities set by both the Governor and the state legislature.



How does all **General Fund** spending by department compare?

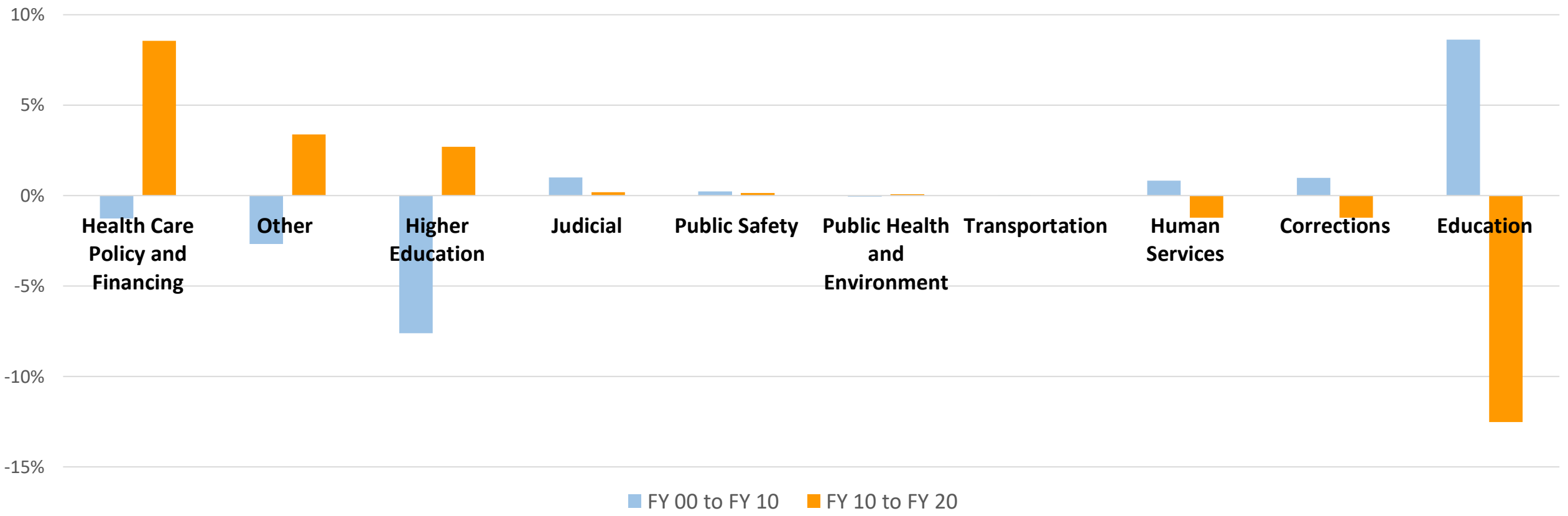
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Source: Colorado Joint Budget Committee Reports

Colorado Budget: Then and Now

How has the share of **General Fund spending** changed over the past 20 years?
 The change in the share of the general fund by department over past two decades



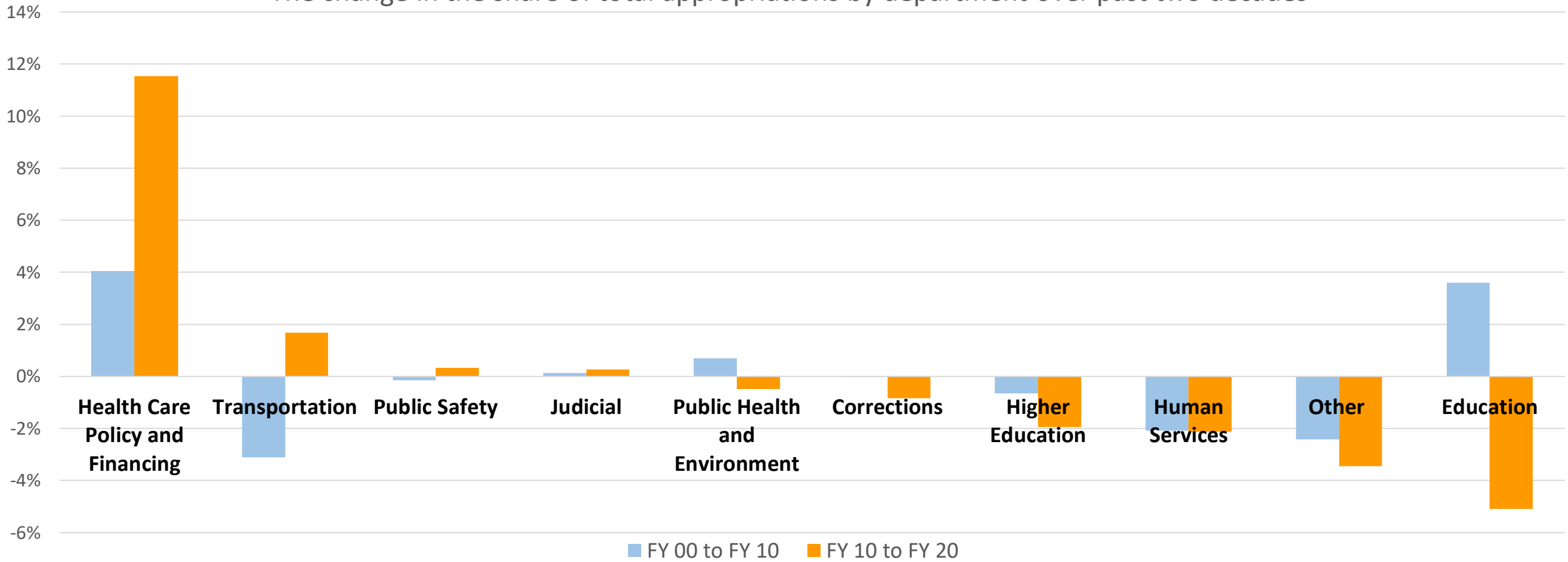
Over each of the past two decades, the relative share of general fund spending has shifted significantly for some departments. For example, the share of the general fund going to Health Care Policy and Financing has increased by 9% from FY2010 to FY2020 while the share going to K-12 Education has decreased by 13%.

Source: Colorado Joint Budget Committee Reports

Colorado Budget: Then and Now

How Has the Share of **Total State spending** Changed Over the Past 20 Years?

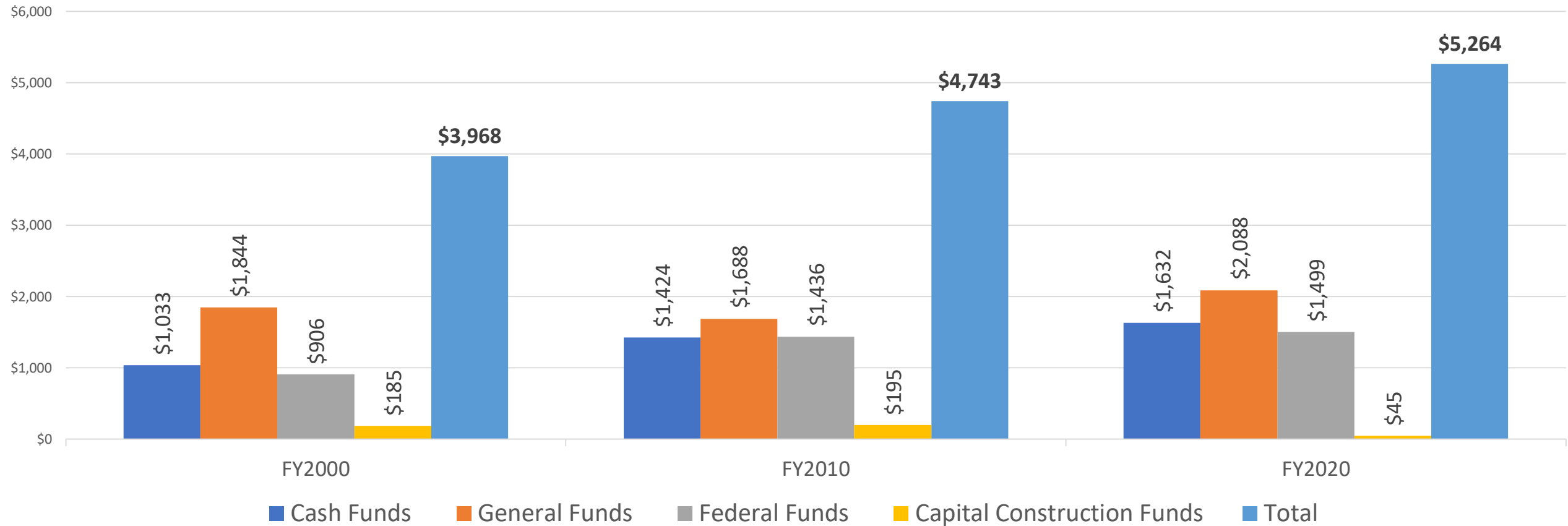
The change in the share of total appropriations by department over past two decades



Over each of the past two decades, the relative share of total spending has shifted significantly for some departments. While spending on Health Care Policy and Financing, and Judicial saw relative increases across both decades, largely because of either increases in federal revenue or fees, education, which receives most of its funding from the General Fund, saw its relative share of spending grow from FY00 to FY10 and decline from FY10 to FY20.

Source: Colorado Joint Budget Committee Reports

Colorado Budget: Then and Now
 How much does the **state government spend on average per Coloradan?**
 Inflation Adjusted Appropriations Per Coloradan



Adjusting for inflation, the total spending per Coloradan has increased consistently over the past 20 years. General fund spending per Coloradan dropped slightly in 2010 due to both the recession and the designation of some revenue streams as cash funds rather than general funds.

Source: Colorado Joint Budget Committee Reports, BLS and State Demography Office