

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Joint Budget Committee Members

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

DATE March 19, 2025

SUBJECT Marijuana Tax Cash Fund Solvency and Appropriations

This memorandum offers an update on the Committee's actions to date, as of March 19, 2025, regarding appropriations from the Marijuana Tax Cash Fund (MTCF) for fiscal year 2025-26. It also addresses concerns related to the fund's solvency based on the revenue forecasts from the March 2025 Legislative Council Staff (LCS) and the Office of State Planning and Budgeting (OSPB).

## Background and Analysis

After reaching a peak of \$201.9 million in fiscal year 2020-21, MTCF distributions have declined consistently for four consecutive years. Factors such as increased competition from other states entering the market, the introduction of intoxicating hemp and synthetic cannabinoids as a result of the 2018 Farm Bill, falling wholesale prices, and other variables that are not yet fully understood have created significant challenges in forecasting a revenue stream that continues to decline and shows little sign of stopping its downward trajectory.

While the March 2024 OSPB revenue forecast (which the General Assembly used to balance the MTCF for the current year) anticipated MTCF distributions of \$158 million in FY 2024-25, current projections are well below that level. The March 2025 OSPB forecast for FY 2024-25 has been revised downwards by approximately \$25.6 million since these projections, and now anticipates a total of \$132.4 million in the current year. Additionally, the LCS forecast projects even lower revenues, anticipating approximately \$129.4 million in the current fiscal year.

The ongoing decline in MTCF revenue collections, along with continuous downward adjustments to MTCF revenue forecasts, poses significant challenges for JBC balancing actions both now and into the future. The MTCF provides funding for programs across 15 departments, and current forecasts indicate that it will not be able to support the same scale and/or scope of funding for these programs as it has in recent years.

OSPB has recommended numerous actions to maintain the solvency of the MTCF. The November 1 budget submission included many actions to maintain the solvency of the MTCF. However, subsequent to the Nov 1 submission, there have been two additional proposals to bring the fund into balance. The magnitude of downward forecast revisions to MTCF revenue, as well as the iterative balancing proposals, speak to the challenges of balancing this fund in the near term, as well as into the future.

Note that integral to all balancing proposals is legislation sponsored by JBC to eliminate the statutory transfer of \$20 million to BEST on June 1, 2026 (H.B. 24-1395, Public School Capital Construction Assistance Fund Transfer Date), and staff is in agreement with this request.

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## Current Year MTCF Status

Due to downward revisions under both forecasts, the MTCF is projected to finish FY 2024-25 below the 15 percent reserve requirement, but outside the realm of the TABOR emergency reserve. This shortfall will create challenges to balancing in FY 2025-26, and the forecast with which the Committee chooses to balance defines the magnitude of that challenge.

The table below outlines the projected year-end balance for FY 2024-25 based on each of the MTCF revenue forecasts.

Marijuana Tax Cash Fund Summary: FY 2024-25 Projections LCS & OSPB March Forecasts		
Description	FY 2024-25 LCS Forecast	FY 2024-25 OSPB Forecast
<b>Beginning Balance</b>	<b>\$120,578,628</b>	<b>\$120,578,628</b>
PLUS: Total Projected Revenue to be Collected (March Forecast)	129,355,136	132,368,727
LESS: State TABOR Emergency Reserve	(100,000,000)	(100,000,000)
LESS: Appropriations approved for FY 2024-25;	(143,542,398)	(143,542,398)
LESS: 15% Statutory Reserve	(21,531,360)	(21,531,360)
LESS: Current Law Transfers to Various Justice Funds (HB 21-1315)	(598,000)	(598,000)
LESS: Transfer IT Capital MED Seed-to-Sale Software	(1,000,000)	(1,000,000)
PLUS: Estimated Reversions	2,500,000	2,500,000
<b>EQUALS: Funds Remaining Available Above Statutorily Required Reserve</b>	<b>(\$14,237,994)</b>	<b>(\$11,224,403)</b>
PLUS: Reserve Amount	21,531,360	21,531,360
PLUS: State Emergency Reserve Cash	100,000,000	100,000,000
<b>Ending Balance</b>	<b>\$107,293,366</b>	<b>\$110,306,957</b>

## The March MTCF Forecasts

The table below shows the most recent March MTCF revenue projections from both OSPB and LCS as well as MTCF revenue over the previous five fiscal years, and the corresponding growth rates of MTCF revenue. Both forecasts project declining revenue in both the current fiscal year as well as the FY 2025-26 budget year.

Note that there is a \$3 million difference between the forecasts in FY 2024-25 and an \$8.7 million difference in FY 2025-26, which aggregate to almost \$12 million. This difference, and the forecast chosen to balance the MTCF, will have a meaningful impact on the funding available to support programs in FY 2025-26. However, also apparent, if revenues do continue to decline, and deviate significantly from the forecast chosen to balance then painful mid-year adjustments could be necessary to ongoing programs supported by the MTCF to maintain the funds solvency.

Growth rates for the MTCF have been negative since FY 2021-22, and both forecasts project this downward trend to continue through FY 2025-26. Note that OSPB's MTCF forecast is less optimistic than in recent years.

# MARIJUANA TAX CASH FUND UPDATE

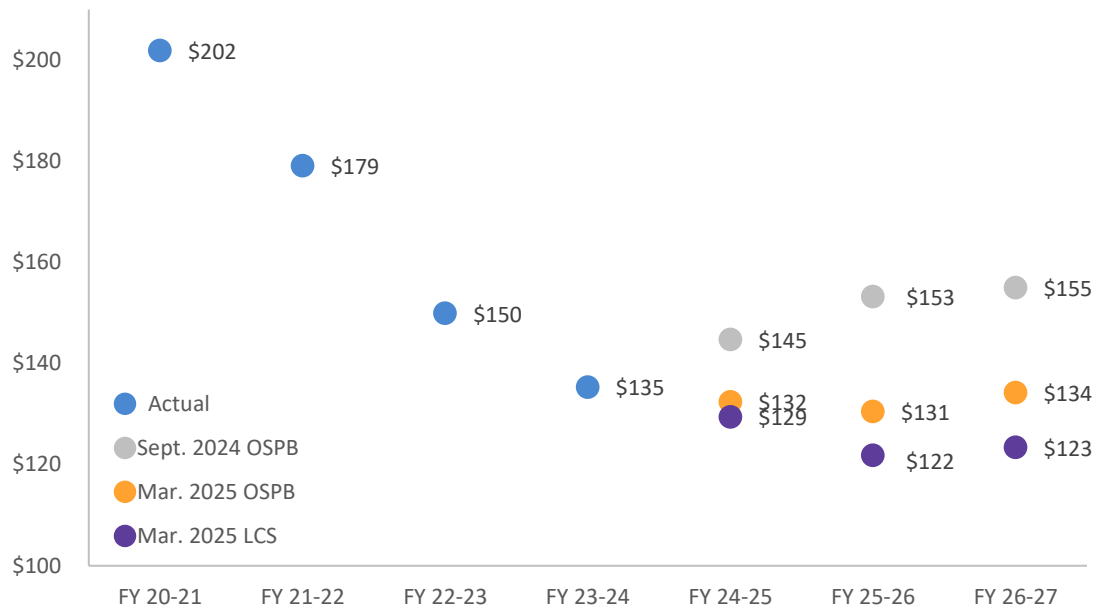
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Marijuana Tax Cash Fund March Revenue Forecast								
	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27
Actual	\$171.1	\$201.9	\$179.1	\$149.9	\$135.3			
<i>*actual growth rate</i>	26.1%	18.0%	-11.3%	-16.3%	-9.7%			
Sep 2024 OSPB						144.7	153.2	155.0
<i>*forecast growth rate</i>						6.9%	5.9%	1.2%
Mar 2025 OSPB						132.4	130.5	134.2
<i>*forecast growth rate</i>						-2.1%	-1.4%	2.8%
Mar 2025 LCS						129.4	121.8	123.4
<i>*forecast growth rate</i>						-4.4%	-5.9%	1.3%
<b>March 2025 Forecast LCS - OSPB</b>						<b>-\$3.0</b>	<b>-\$8.7</b>	<b>-\$10.8</b>

The following graph depicts revenue expectations from the September 2024 OSPB forecast and the LCS and OSPB March 2025 forecasts. As shown in the diagram, the two current forecasts are beginning to converge in the current budget year, FY 2024-25, as expected (though they still differ by \$3.0 million), with just over three months remaining in the fiscal year.

As is evident in the graph, OSPB no longer anticipates a V-shaped recovery in MTCF revenue, and both agencies are anticipating a growth rate in line with, or just below, inflation in FY 2026-27. Based on recent observations, staff place very little stock in longer-range MTCF projections and recommend proceeding cautiously with any MTCF projections beyond the immediate future.

OSPB's March FY 2025-26 MTCF revenue forecast has decreased by over \$20 million since the September forecast



The table below shows OSPB MTCF revenue projections over the past three years. Ongoing downward revisions speak to increasing competition from states entering the market,

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intoxicating hemp and synthetic cannabinoids, falling wholesale prices and variables that are clearly not yet fully understood.

Although COVID was clearly a significant disruptor to this market, prior to the pandemic there were indicators that there were profound challenges ahead. Prior to COVID, wholesale Average Market Rate (AMR) for retail bud dropped from \$2,007 per pound in April of 2015 to \$759 per pound in October of 2018, a decline of 62 percent before spiking 125 percent during COVID. However, as we have trended towards post-pandemic normalcy, the AMR has resumed its decline and now is at an all-time low of \$658 per pound.

Table 5. Projected MTCF Revenue by OSPB Quarterly Forecast (millions)							Quarterly Change (millions)					
Forecast	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27
Mar, 2022	185.4	192.9	199.0									
June, 2022	178.5	179.9	184.2				-6.9	-13.0	-14.8			
Sept, 2022	178.2	174.6	183.8	186.9			-0.3	-5.3	-0.4			
Dec, 2022		167.8	181.2	184.2				-6.8	-2.6	-2.7		
Mar, 2023		154.5	175.1	177.8				-13.3	-6.1	-6.4		
June, 2023		151.9	172.5	175.3				-2.6	-2.6	-2.5		
Sept, 2023		149.4	164.8	178.6	181.9			-2.5	-7.7	3.3		
Dec, 2023			154.9	175.5	179.5				-9.9	-3.1	-2.4	
Mar, 2024			139.8	158.0	167.6				-15.1	-17.5	-11.9	
June, 2024			135.0	146.2	154.5				-4.8	-11.8	-13.1	
Sept, 2024				144.7	153.2	155.0				-1.5	-1.3	
Dec, 2024				138.4	145.3	146.4				-6.3	-7.9	-8.6
Mar, 2025				132.4	130.5	134.2				-6.0	-14.8	-12.2

## JBC MTCF Actions to Date

As part of the Governor's November 1<sup>st</sup> budget submission, OSPB included a statewide request of proposed reductions across numerous departments that balanced the MTCF to the September OSPB forecast. JBC Staff has not proposed these actions to the Committee as a single balancing action, but has included each request in the figure setting process for each department to be handled by the relevant analyst with departmental expertise. To date, these actions have included:

- **Education:** Approved Early Literacy Grant program refinance with Early Literacy Cash Fund rather than MTCF, saving \$5.4 million. This action has been taken the previous two fiscal years, but is likely not sustainable beyond FY 2025-26.
- **Education** K-5 Social and Emotional Health Pilot Program sunset after 4-year statutory pilot, saving \$2.5 million MTCF.
- **Human Services:** Approved reductions to the Circle Program and Other Rural Treatment Programs for people with co-occurring mental health and substance use disorder saving \$161,714 MTCF.
- **Human Services:** Approved the Governor's proposal to reduce the MTCF appropriation to CDHS for Behavioral Crisis Response Items by \$367,316 (legislation).

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- **Local Affairs:** Approved the elimination of the Grey and Black Market Marijuana Enforcement efforts saving \$795,117.
- **Transportation:** Approved staff initiated reduction to the Marijuana Impaired Driving Campaign saving \$450,000 MTCF.
- **Public Safety:** Declined a one-time request of \$4.4 million for Investment in Crime Prevention through Environmental Design. (Governor's revised request is \$2 million).
- **Public Safety:** Voted to deny CDPS Request for Investment for Youth Delinquency Grants. Later voted to reconsider this \$1 million MTCF appropriation.
- **Judicial:** No decision on the \$1.6 million one-time refinance of appropriation to the Correctional Treatment Cash Fund as proposed from November 1st submission.
- **IT Capital:** JTC proposed reduction from \$1.6 million to \$250,000 for a MTCF transfer to fund the Colorado Gang Database.
- **IT Capital:** JBC voted to give staff drafting authority for a bill that would execute IT Capital Transfers for Department of Revenue MED Seed to Sale. Did not authorize an amount. \$3,080,000 requested. Minimum amount required \$107,000. However, any reduction below the \$3.1 million would trigger a meeting with JTC.
- **Education:** The Committee has not officially acted on the proposed elimination of the \$20 million transfer from the MTCF to BEST. Legislation request forthcoming, soon.

Despite actions taken to date for FY 2025-26, including reductions and refinances totaling approximately \$7.1 million to ongoing programs supported by MTCF, additional actions must be taken to balance for FY 202526. OSPB has provided additional options discussed below.

## OSPB January 2nd Budget Submission

OSPB states that its preference is to move forward with the proposal from the January 2nd budget submission, which recommends reducing the Marijuana Tax Cash Fund's commitment to the Emergency Reserve from \$100 million annually to \$75 million. OSPB states that the most straightforward and desirable approach to achieving a balanced budget would be to lessen the fund's commitment to the TABOR Emergency Reserve.

Currently, the Marijuana Tax Cash Fund holds \$100 million of the TABOR State Emergency Cash Fund reserve, which, according to OSPB, is excessive given the fund's status and revenue. Reducing this contribution would allow for a more balanced Marijuana Tax Cash Fund without requiring significant cuts to programs supported by the fund. Staff note, that this is a one-time solution, and in the face of ongoing revenue shortfalls this action would exacerbate cuts necessary to balance beyond FY 2025-26

Additionally, OSPB's January 2<sup>nd</sup> request proposed utilizing The Line of Duty Death Benefit Trust Fund as the backfill for the \$25 million TABOR emergency reserve. However, the JBC Proposition 130 implementation bill does not reference a Line of Duty Death Benefit Trust Fund, and the fund does not exist. Therefore, this is not a viable alternative to backfill the \$25

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million TABOR reserve. OSPB has not presented an alternative fund in lieu of the Line of Duty Death Benefit Trust Fund.

The table below shows that under current revenue projections in OSPB's March revenue forecast, the January 2<sup>nd</sup> balancing proposal would require additional budget cuts to be a viable proposal.

MTCF Balancing: OSPB Jan2 Submission (March OSPB Forecast)		
Description	FY 2024-25 Appropriated	FY 2025-26 Jan. 2 Request
<b>Beginning Balance</b>	<b>\$120,578,628</b>	<b>\$110,306,957</b>
PLUS: Total Projected Revenue to be Collected (OSPB MARCH 2025 Forecast)	132,368,727	130,460,160
Proposal to Update Statue on Local Distribution		
LESS: State Emergency Reserve Cash	(100,000,000)	(75,000,000)
LESS: Appropriations approved for FY 2024-25; FY 2025-26 base appropriations	(143,542,398)	(149,367,769)
PLUS: CDE Early Literacy Refinance	0	0
PLUS: Judicial Correctional CF Refinance	0	1,626,967
PLUS: Reduction to CDHE's CU School of Public Health	0	1,000,000
PLUS: BHA R-03 MTCF Reduction	0	367,316
PLUS: Reduction to DOLA's Grey and Black Market Marijuana Enforcement Grants	0	970,217
LESS: OEDIT BA-01 Cannabis Business Office Sustainable Funding	0	(1,500,000)
LESS: CDPS Crime Prevention through Safer Streets Funding	0	(4,400,000)
LESS: CDPS Youth Delinquency Prevention Grants	0	(1,000,000)
LESS: Estimated Reserve	(21,531,360)	(22,845,490)
LESS: Current Law Transfers to Various Justice Funds (HB 21-1315)	(598,000)	(598,000)
LESS: Transfer to BEST	0	0
LESS: CDPS IT Capital Request	0	(1,600,000)
LESS: Proposed Transfer IT Capital MED Seed-to-Sale Software	(1,000,000)	(3,080,000)
PLUS: Estimated Reversions	2,500,000	2,000,000
<b>EQUALS: Funds Remaining Available Above Statutorily Required Reserve</b>	<b>(\$11,224,403)</b>	<b>(\$12,659,642)</b>
PLUS: Reserve Amount	21,531,360	22,845,490
PLUS: Estimated FY 2023-24, 2024-25 Budget Reversions		0
PLUS: State Emergency Reserve Cash	100,000,000	75,000,000
<b>Ending Balance</b>	<b>\$110,306,957</b>	<b>\$85,185,848</b>

## OSPB March Balancing Request

During recent OSPB comebacks, a rebalancing proposal was submitted that attempts to align the Governor's request with MTCF revenue realities. As previously discussed, OSPB's March forecast includes significant downward revisions in its revenue projections. Due to these declining marijuana revenues, OSPB presented the following comeback request to the JBC on March 17<sup>th</sup> in order to balance the MTCF in FY 2025-26.

OSPB March balancing proposal includes the following components:

- 1 Statutory update to the distribution of the Marijuana Special Sales Tax Revenue. Currently, the revenue from the Special Sales Tax is allocated 90 percent to the state and 10 percent

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to local governments with sales in their jurisdiction. OSPB requests JBC sponsored legislation which would alter the distribution to be 95 percent allocated to the MTCF and 5 percent to local governments. This action would increase available MTCF revenue to the State by approximately \$9.4 million in FY 2025-26, but would adversely impact local government, which presumably have also been negatively impacted by the ongoing decline in MTCF revenue.

- 2 Modifications to the Governors November 1 MTCF requests, include:
  - a Modify request for funding to the Cannabis Business Office from \$1.5 million to \$800,000 (The JBC took action on 03/19/2025 to decline the original \$1.5 million request)
  - b Modify the request for funding to the Department of Public Safety request for Crime Prevention Through Environmental Design from \$4.4 million to \$2.0 million
  - c Maintain request for \$1 million in ongoing funding for Youth Delinquency Grants (Request for Legislation Tabled)
  - d Maintain request for \$3,080,000 IT Capital Proposal for Department of Revenue MED Seed to Sale
  - e Modify request for funding for the Colorado Gang Database from \$1.6 million to \$250,000 based off JTC recommendation.
- 3 OSPB proposes the following targeted cuts to programs, which according to OSPB, have the least alignment with the MTCF, most flexibility, or are least aligned with this administration's policy goals:
  - a Eliminate the Regulating Marijuana Concentrates from the CU School of Public Health (\$2M savings – proposal declined by JBC during Higher Ed figure setting)
  - b Reduce CDPHE Substance Abuse Grants by \$2.75 M
  - c Eliminate CDOT's MTCF appropriation for Marijuana Impaired Driving Program (\$500,000 additional savings on top of approved \$450,000 reduction)
  - d *Eliminate CU Regents of CO MAT Program saving \$3,000,000 (action already taken)*
  - e Eliminate CDHE AgrAbility saving \$900,000
  - f Reduce funding for CSU Institute of Cannabis Research by \$950,000
  - g Reduce Evidence-based policymaking evaluation and support grants in the Governor's office saving \$125,000
  - h Reduce Department of Human Services / Behavioral Health Administration Treatment and Detoxification Programs funding by \$4.0 million
  - i Reduce Department of Human Services /Behavioral Health Administration Appropriation to Increase Access to effective substance use disorder Services, including evaluation of residential treatment by \$1,270,392
  - j Eliminate the CDPHE appropriation from MTCF for Prevention Programming saving \$598,571
  - k Reduce funding for CDPHE CO Health Service Corp by \$2 million
  - l Reduce CDPHE's appropriation for Marijuana Education Campaign saving \$832,000
  - m Reduce CDPHE's appropriation for LPHA's by \$1,988,225

# MARIJUANA TAX CASH FUND UPDATE

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n A one-time \$1.6 million refinance of the Judicial Appropriation to the Correctional Treatment Cash Fund, as proposed in the November 1<sup>st</sup> OSPB request

The table below shows the impact of the requested cuts and proposed expenditures based off of the March OSPB revenue projections. *Note that after reconciling budget actions with OSPB, the projections in the table are more favorable to the MTCF outlook than those presented in the March 17<sup>th</sup> OSPB Comeback letter.*

Marijuana Tax Cash Fund OSPB March Balancing Proposal (March OSPB Forecast)		
Description	FY 2024-25 Appropriated	FY 2025-26 March CB Request
<b>Beginning Balance</b>	<b>\$120,578,628</b>	<b>\$110,306,957</b>
PLUS: Total Projected Revenue to be Collected (OSPB Mach '25 Forecast)	132,368,727	130,460,150
Proposal to Update Statue on Local Distribution		9,379,379
LESS: State Emergency Reserve Cash	-100,000,000	-100,000,000
LESS: Appropriations approved for FY 2024-25; FY 2025-26 JBC action	-143,542,398	-140,141,152
PLUS: CDE Early Literacy Refinance		0
PLUS: Reduce BHA Circle Program and Other Rural Treatment Programs		0
PLUS: Reduction to DOLA's Grey & Black Market MJ Enforcement Grants		0
PLUS: Reduce BHA R-03 Behavioral Crisis Response		367,314
PLUS: Judicial Correctional CF Refinance		1,626,967
PLUS: Reduction to CDHE's CU School of Public Health		2,000,000
PLUS: Reduce Governor's Office Evidence Based Policy Grants		125,000
PLUS: Reduce Funding for Regents University of Colorado MAT Pilot Program		3,000,000
PLUS: Reduce Funding for Institute of Cannabis Research at CSU Pueblo		950,000
PLUS: Reduce Appropriation AgrAbility at CSU		900,000
PLUS: Reduce BHA Substance Use Disorder Serevices		1,270,392
PLUS: Reduce BHA Appropriation for Treatment and detox programs		4,000,000
PLUS: Reduce CDPHE Appropriation for Substance Abuse Prevention		2,750,000
PLUS: Reduce CDPHE Appropriation for Public Awareness Campaign		832,000
PLUS: Reduce CDPHE Appropriation for CO Health Service Corps Prog		2,000,000
PLUS: Reduce CDPHE Distribution to LPHA's		1,988,225
PLUS: Reduce CDPHE Appropriation for Prevention Programming		598,571
PLUS: Reduce Appropriation for CDOT Impaired Driving Campaign		450,000
LESS: OEDIT BA-01 Cannabis Business Office Sustainable Funding		-800,000
LESS: CDPS Crime Prevention through Safer Streets Funding		-2,000,000
LESS: CDPS Youth Delinquency Prevention Grants		-1,000,000
LESS: Estimated Reserve	-21,531,360	-18,162,402
LESS: Current Law Transfers to Various Justice Funds (HB 21-1315)	-598,000	-598,000
LESS: Transfer to BEST	0	0
LESS: CDPS IT Capital Request	0	-250,000
LESS: Proposed Transfer IT Capital MED Seed-to-Sale Software	-1,000,000	-3,080,000
PLUS: Estimated Reversions	2,500,000	0
<b>EQUALS: Funds Remaining Available Above Statutorily Required Reserve</b>	<b>-\$11,224,403</b>	<b>\$6,973,401</b>
PLUS: Reserve Amount	21,531,360	18,162,402
PLUS: State Emergency Reserve Cash	100,000,000	100,000,000
<b>Ending Balance</b>	<b>110,306,957</b>	<b>125,135,803</b>



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The table below presents the same scenario as described in the March OSPB comeback letter. However, it uses the March LCS revenue forecast and does not include any statutory changes to local government distributions.

<b>Marijuana Tax Cash Fund OSPB March Balancing Proposal (March LCS Forecast)</b>		
<b>Description</b>	<b>FY 2024-25 Appropriated</b>	<b>FY 2025-26 March CB Request</b>
<b>Beginning Balance</b>	<b>\$120,578,628</b>	<b>\$107,293,366</b>
PLUS: Total Projected Revenue to be Collected (LCS March '25 Forecast)	129,355,136	121,807,327
Proposal to Update Statue on Local Distribution		0
LESS: State Emergency Reserve Cash	-100,000,000	-100,000,000
LESS: Appropriations approved for FY 2024-25; FY 2025-26 JBC action	-143,542,398	-140,141,152
PLUS: CDE Early Literacy Refinance		0
PLUS: Reduce BHA Circle Program and Other Rural Treatment Programs		0
PLUS: Reduction to DOLA's Grey & Black Market MJ Enforcement Grants		0
PLUS: Reduce BHA R-03 Behavioral Crisis Response		367,314
PLUS: Judicial Correctional CF Refinance		1,626,967
PLUS: Reduction to CDHE's CU School of Public Health		2,000,000
PLUS: Reduce Governor's Office Evidence Based Policy Grants		125,000
PLUS: Reduce Funding for Regents University of Colorado MAT Pilot Program		3,000,000
PLUS: Reduce Funding for Institute of Cannabis Research at CSU Pueblo		950,000
PLUS: Reduce Appropriation AgrAbility at CSU		900,000
PLUS: Reduce BHA Substance Use Disorder Serevices		1,270,392
PLUS: Reduce BHA Appropriation for Treatment and detox programs		4,000,000
PLUS: Reduce CDPHE Appropriation for Substance Abuse Prevention		2,750,000
PLUS: Reduce CDPHE Appropriation for Public Awareness Campaign		832,000
PLUS: Reduce CDPHE Appropriation for CO Health Service Corps Prog		2,000,000
PLUS: Reduce CDPHE Distribution to LPHA's		1,988,225
PLUS: Reduce CDPHE Appropriation for Prevention Programming		598,571
PLUS: Reduce Appropriation for CDOT Impaired Driving Campaign		450,000
LESS: OEDIT BA-01 Cannabis Business Office Sustainable Funding		-800,000
LESS: CDPS Crime Prevention through Safer Streets Funding		-2,000,000
LESS: CDPS Youth Delinquency Prevention Grants		-1,000,000
LESS: Estimated Reserve	-21,531,360	-18,162,402
LESS: Current Law Transfers to Various Justice Funds (HB 21-1315)	-598,000	-598,000
LESS: Transfer to BEST	0	0
LESS: CDPS IT Capital Request	0	-250,000
LESS: Proposed Transfer IT Capital MED Seed-to-Sale Software	-1,000,000	-3,080,000
PLUS: Estimated Reversions	2,500,000	0
<b>EQUALS: Funds Remaining Available Above Statutorily Required Reserve</b>	<b>-\$14,237,994</b>	<b>-\$14,072,393</b>
PLUS: Reserve Amount	21,531,360	18,162,402
PLUS: State Emergency Reserve Cash	100,000,000	100,000,000
<b>Ending Balance</b>	<b>107,293,366</b>	<b>104,090,010</b>

MARIJUANA TAX CASH FUND UPDATE

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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 Nov Request	FY 2025-26 JBC Action	Annual Change
<b>Breakdown of Appropriations by Department and Program</b>				
<b>Agriculture:</b>				
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 costs	<u>569,324</u>	<u>560,769</u>	<u>549,370</u>	<u>(11,399)</u>
<b>Subtotal: Agriculture</b>	<b>2,116,519</b>	<b>2,152,910</b>	<b>2,141,511</b>	<b>(11,399)</b>
<b>Early Childhood:</b>				
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 costs	<u>48,842</u>	<u>63,860</u>	<u>61,362</u>	<u>(2,498)</u>
<b>Subtotal: Early Childhood</b>	<b>990,813</b>	<b>1,011,557</b>	<b>1,009,059</b>	<b>(2,498)</b>
<b>Education:</b>				
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 Prev and Education Cash Fund	1,000,000	1,000,000	1,000,000	0
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 costs	<u>226,757</u>	<u>216,132</u>	<u>211,657</u>	<u>(4,475)</u>
<b>Subtotal: Education</b>	<b>22,209,095</b>	<b>22,225,877</b>	<b>19,719,014</b>	<b>(2,506,863)</b>
<b>Governor:</b>				
Evidence-based policymaking evaluation and support	500,000	500,000	500,000	0
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 costs	<u>49,258</u>	<u>60,844</u>	<u>62,668</u>	<u>1,824</u>
<b>Subtotal: Governor</b>	<b>1,909,982</b>	<b>1,132,522</b>	<b>1,134,346</b>	<b>1,824</b>
<b>Health Care Policy and Financing:</b>				
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>	1,500,000	<u>0</u>
<b>Subtotal: Health Care Policy and Financing</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>0</b>
<b>Higher Education:</b>				
Regulating marijuana concentrates - CU School of Public Health	2,000,000	1,000,000	2,000,000	<u>1,000,000</u>
Medication-assisted Treatment Pilot Program (S.B. 17-074)	3,000,000	3,000,000	3,000,000	<u>0</u>
Institute of Cannabis Research at CSU-Pueblo (S.B. 16-191)	3,800,000	3,800,000	3,800,000	<u>0</u>
AgrAbility project at CSU (S.B. 21-137)	900,000	900,000	900,000	<u>0</u>
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	<u>0</u>
Perinatal Data Linkage Study (S.B. 19-228)	-	-	-	<u>0</u>
<b>Subtotal: Higher Education</b>	<b>10,950,000</b>	<b>9,950,000</b>	<b>10,950,000</b>	<b>1,000,000</b>

MARIJUANA TAX CASH FUND UPDATE

MARCH 19, 2025

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 Nov Request	FY 2025-26 JBC Action	Annual Change
<b>Human Services:</b>				
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	7,325,126	0
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	<u>3,868,015</u>	<u>3,809,681</u>	<u>4,127,394</u>	<u>317,713</u>
<b>Subtotal: Human Services</b>	<b>60,125,674</b>	<b>61,175,430</b>	<b>61,493,143</b>	<b>317,713</b>
<b>Judicial:</b>				
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	<u>1,107,724</u>	<u>1,107,724</u>	<u>1,107,724</u>	<u>0</u>
<b>Subtotal: Judicial</b>	<b>2,734,691</b>	<b>1,107,724</b>	<b>2,734,691</b>	<b>1,626,967</b>
<b>Labor and Employment:</b>				
Colorado Veterans' Service-to-career Pilot Program	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Subtotal: Labor and Employment</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Law:</b>				
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	<u>89,787</u>	<u>89,787</u>	<u>89,787</u>	<u>0</u>
<b>Subtotal: Law</b>	<b>1,709,553</b>	<b>1,709,553</b>	<b>1,709,553</b>	<b>0</b>
<b>Local Affairs:</b>				
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 and centrally appropriated costs	<u>272,096</u>	<u>183,156</u>	<u>134,526</u>	<u>(48,630)</u>
<b>Subtotal: Local Affairs</b>	<b>2,243,102</b>	<b>2,154,162</b>	<b>1,317,811</b>	<b>(836,351)</b>
<b>Public Health and Environment:</b>				
Substance abuse prevention	10,065,977	10,065,977	10,065,977	0

MARIJUANA TAX CASH FUND UPDATE

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	FY 2024-25 Appropriation	FY 2025-26 Nov Request	FY 2025-26 JBC Action	Annual Change
Public awareness campaign	976,202	976,202	976,202	0
Colorado Health Service Corps Program (S.B. 18-024)	3,605,101	3,605,101	3,605,101	0
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>2,495,972</u>	<u>0</u>
<b>Subtotal: Public Health and Environment</b>	<b>23,773,746</b>	<b>23,773,746</b>	<b>23,769,434</b>	<b>(4,312)</b>
<b>Public Safety:</b>				
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>
<b>Subtotal: Public Safety</b>	<b>7,648,561</b>	<b>13,230,492</b>	<b>7,531,928</b>	<b>(5,698,564)</b>
<b>Regulatory Agencies:</b>				
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>
<b>Subtotal: Regulatory Agencies</b>	<b>120,807</b>	<b>120,807</b>	<b>120,807</b>	<b>0</b>
<b>Revenue:</b>				
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>
<b>Subtotal: Revenue</b>	<b>4,559,855</b>	<b>4,559,855</b>	<b>4,559,855</b>	<b>0</b>
<b>Transportation:</b>				
Marijuana impaired driving campaign	950,000	950,000	450,000	(500,000)
Impairment device study (HB 22-1321)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Subtotal: Transportation</b>	<b>950,000</b>	<b>950,000</b>	<b>450,000</b>	<b>(500,000)</b>
<b>Total Appropriations (including Long Bill and Other Legislation)</b>	<b>\$143,542,398</b>	<b>\$146,754,635</b>	<b>\$140,141,152</b>	<b>(\$6,613,483)</b>
<b>Statutory Transfers:</b>				<b>0</b>

# MARIJUANA TAX CASH FUND UPDATE

MARCH 19, 2025

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 Nov Request	FY 2025-26 JBC Action	Annual Change
<b>Proposed Transfers for Capital Construction: IT capital Seed to sale</b>				
<b>MTCF Transfer (H.B. 24-1425)</b>	<b>1,000,000</b>	<b>3,080,000</b>	<b>3,080,000</b>	<b>0</b>
<b>Proposed Transfer IT Capital CDPS Placeholder</b>		<b>1,600,000</b>	<b>250,000</b>	<b>(1,350,000)</b>
BEST Transfer to Public School Capital Construction Assistance Fund (S.B. 21-207, H.B. 22-1341, S.B. 23-220, H.B. 24- XXX))	\$0	\$0	0	0
Transfers to various criminal justice related funds (H.B. 21-1315)	<u>598,000</u>	<u>598,000</u>	<u>598,000</u>	<u>0</u>
<b>Total Statutory Transfers</b>	<b>\$1,598,000</b>	<b>\$5,278,000</b>	<b>\$3,928,000</b>	<b>(\$1,350,000)</b>
<b>Total Appropriations and Transfers from the Marijuana Tax Cash Fund</b>	<b>\$145,140,398</b>	<b>\$152,032,635</b>	<b>\$144,069,152</b>	<b>(\$7,963,483)</b>

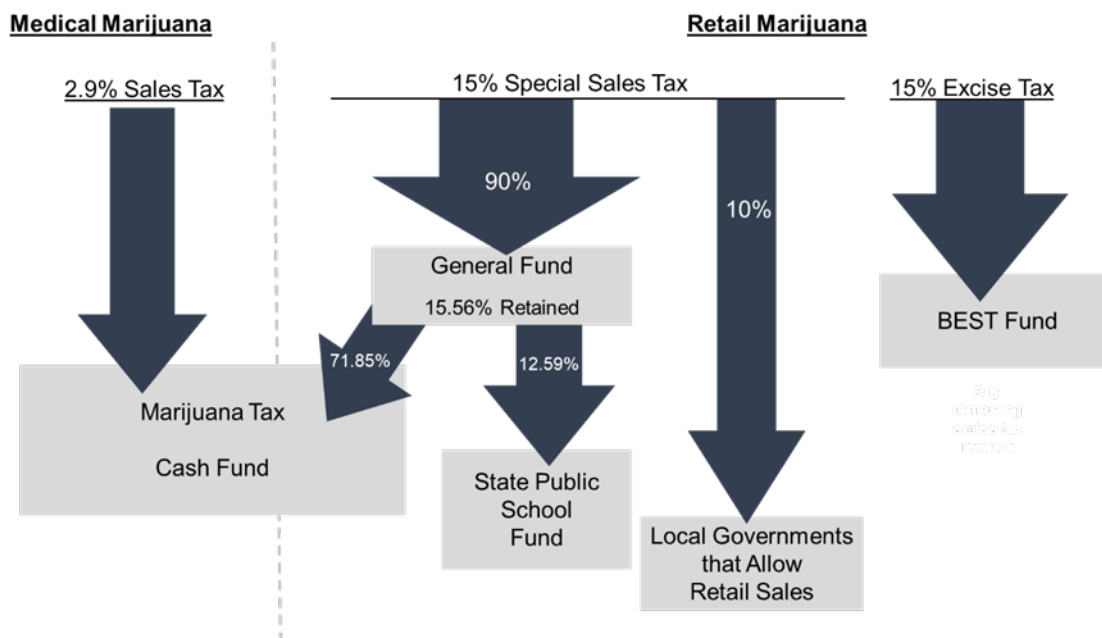


Joint Budget Committee Staff

# Memorandum

To: Joint Budget Committee  
From: Name, JBC Staff (303-866-4386)  
Date: Thursday, March 20, 2025  
Subject: [MTCF Balancing](#)

The following graphic (designed by Legislative Council Staff) illustrates the allocation of state tax revenues related to marijuana. For balancing purposes, OSPB has proposed a change in the allocation of revenue, reducing the allocation to local government by 5 percent and diverting it to the MTCF.



## APPENDIX B MTCF BALANCING

Department	Program (if applicable)	Analyst	FY 24-25 MTCF	Possible Cut	FY 25-26 Remaining	% cut
Higher Ed	CSU Pueblo Institute of Cannabis Research	Louellen Lowe	\$3,800,000	\$950,000	\$2,850,000	25.0%
Higher Ed	CU Health Sciences Center	Louellen Lowe	\$4,250,000	\$1,062,500	\$3,187,500	25.0%
Higher Ed	Board of Governors of the Colorado State University	Louellen Lowe	\$900,000	\$0	\$900,000	0.0%
Higher Ed	Regents of the University of Colorado	Louellen Lowe	\$2,000,000	\$1,000,000	\$1,000,000	50.0%
Early Childhood	SEL Grant Program	Louellen Lowe	\$1,021,107	\$1,021,107	\$0	100.0%
Pub Health	Colorado Health Service Corps	Kelly Shen	\$3,605,101	\$2,000,000	\$1,605,101	55.5%
Pub Health	Prevention Programming	Kelly Shen	\$598,781	\$598,781	\$0	100.0%
Pub Health	Substance Abuse Prevention	Kelly Shen	\$10,065,977	\$2,750,000	\$7,315,977	27.3%
Pub Health	Marijuana Education Campaign	Kelly Shen	\$976,202	\$832,000	\$144,202	85.2%
Transportation	Marijuana Impaired Driving Program	Michelle Curry	\$950,000	\$950,000	\$0	100.0%
Reg Agencies	Division of Professions and Occupations	Michelle Curry	\$120,807	\$120,807	\$0	100.0%
HCPF	SCIRT Training Grant Program	Eric Kurtz	\$1,500,000	\$500,000	\$1,000,000	33.3%
Local Affairs	Recovery-Oriented Housing Program	Andrea Uhl	\$1,008,185	\$1,008,185	\$0	100.0%
Pub Safety	Emergency School Safety Incident Response	Justin Brakke	\$250,000	\$250,000	\$0	100.0%
Human Services	EDO	Emily Pope	\$1,000,000	\$855,546	\$144,454	85.6%
Human Services	SB 91-94 Programs	Emily Pope	\$3,346,113	\$669,223	\$2,676,890	20.0%
Human Services	Tony Grampsas Youth Services Program	Emily Pope	\$1,657,147	\$1,000,000	\$657,147	60.3%
Human Services	BHA Mental Health Services for Juvenile and Adult	Emily Pope	\$6,210,075	\$1,242,015	\$4,968,060	20.0%
Human Services	Treatment and Detoxification Problems	Emily Pope	\$7,325,126	\$4,000,000	\$3,325,126	54.6%
Human Services	Increasing Access to Effective Substance Use Disorder	Emily Pope	\$16,938,566	\$3,000,000	\$13,938,566	17.7%
Human Services	Community Prevention and Treatment Programs	Emily Pope	\$642,479	\$321,240	\$321,239	50.0%
Human Services	Crisis Response System - Walk-in, stabilization, mobile,	Emily Pope	\$4,346,832	\$869,366	\$3,477,466	20.0%
Human Services	Criminal Justice Diversion Problems	Emily Pope	\$6,214,123	\$1,242,825	\$4,971,298	20.0%
Human Services	Circle Program and Other Rural Treatment Programs for	Emily Pope	\$5,829,663	\$1,165,933	\$4,663,730	20.0%
Human Services	Medication Consistency and Health Information Exchange	Emily Pope	\$760,700	\$152,140	\$608,560	20.0%
Human Services	Fort Logan Personal Services	Emily Pope	\$321,630	\$161,249	\$160,381	50.1%
Human Services	Pueblo Personal Services	Emily Pope	\$624,503	\$312,252	\$312,251	50.0%
Agriculture	Plant Industry Division	Phoebe	\$1,079,677	\$500,000	\$579,677	46.3%
Agriculture	Comissioner's Office Indirect Cost	Phoebe	\$354,978	\$50,000	\$304,978	14.1%
Education	School Bullying Prevention Cash Fund	Amanda Bickel	\$1,000,000	\$1,000,000	\$0	100.0%