



### September Revenue Forecasts Report via Todd Engdahl

#### Budget Outlook for 2025-26:

"We are in a very tight budget," Mark Ferrandino, Office of State Planning and Budgeting (OSPB) executive director, said.

Several factors are putting pressure on the 2025-26 budget:

- Fixed cost increases – think state employee salaries, required K-12 spending
- The easing of inflation reduces permissible growth – Ferrandino estimated that loss at \$40 million
- Rising cash fund revenues mean more of the TABOR refunds need to be taken from General Fund (GF)
- Increasing costs for Medicaid – which is a non-discretionary entitlement – will consume a substantial amount of the 2024-25 budget that was covered with federal ARPA funds, in order to avoid missing federal deadlines for spending that money. Those expenses will have to be paid for with GF in 2025-26.

These [two slides](#), the first from Colorado Legislative Council Staff (LCS) and the second from OSPB, summarize the problem.

#### General Fund Revenue:

LCS projects that GF revenue will have declined 4.1 percent when the books are closed on the 2023-24 fiscal year, and will decline 1.8 percent in the current 2024-25 fiscal year.

While corporate tax collections came in higher than expected, personal income taxes are steady, and sales taxes and some other taxes came in lower than projected.

#### Cash Funds Revenue:

LCS estimates cash fund revenue will increase 7.5 percent in 2024-25,

### Demont Award Nominations

A program established to recognize those administrators who will "Leave it better than they found it" in districts of 1,500 or fewer students. The Jim Wilson Demont Award is a way to personally recognize small school educators and administrators for their invaluable contribution to their students.

Nominations for the Jim Wilson Demont Award are due by October 28. You can find the full nomination packet using the link below.

[Nomination Packet Here!](#)

2.4 percent in 2025-26 and 1.3 percent in 2026-27.

#### TABOR Changes:

After the 2023-24 refunds of \$1.37 billion, LCS estimates TABOR surpluses will drop to \$365 million in 2024-25 and \$747 million in 2025-26.

#### K-12 Funding:

In recent budgets, the legislature has been able to minimize GF increases in K-12 support because local property tax revenues have grown significantly and because the legislature was able to tap a healthy State Education Fund for increases in the state share of total program funding.

While school funding isn't usually projected in the September forecasts, LCS staff made a special projection. The bottom line? Because of local property tax limits imposed by the 2024 regular and special sessions, and because of higher costs associated with the new school finance formula, LCS estimates GF support of TPF will have to increase to protect the solvency of the State Education Fund.

#### The Economy:

As the LCS summarized, growth is exceeding expectations in 2024 but is expected to slow, inflation is falling and now is lower in Denver than in the nation, housing cost inflation is easing, unemployment is low but ticking up, household savings are low and debt delinquencies are rising, corporate profits are strong, and Colorado petroleum production is declining as prices drop.

[Full Report Here](#)

### CASB Opposes Amendment 80

The Colorado Association of School Boards (CASB) recognizes that Amendment 80, "School Choice in K-12 Education" seeks to amend the Colorado Constitution to create a constitutionally protected right to school choice for K-12 students and their parents; [...] the diversion of public funds to private schools goes directly against CASB's mission to protect public education and ensure sufficient funding for public school districts, which is a core advocacy platform for CASB; [...] The Colorado Association of School Boards declares that Amendment 80 poses a significant risk to the funding and health of Colorado's public education system and contradicts CASB's fundamental mission to advocate for and protect public schools.

[Full Statement Here](#)

### Upcoming Events

Friday-Saturday, 18-19 October

[Fall Conference & Delegate Assembly](#)

Pueblo, Colo.

Debra Fine and Anne Brown will be the two keynote presenters for the 2024 Fall Conference & Delegate Assembly.

Thursday-Saturday, 5-7 December

[CASB's 84th Annual Convention](#)

Colorado Springs, Colo.

This year's keynote presenters will be Heather R. Younger, John K. Coyle, and Alex Boyé