# Colorado's Political Climate, Economy, and Budget during COVID-19

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## Abstract

The COVID-19 pandemic was a monumental exogeneous shock to the Colorado economy. Prior to the pandemic's onset the state reported historically low unemployment alongside robust growth in personal income levels and state revenue. While the negative economic effects of the pandemic were sharp, the state's economic recovery is outpacing what many economists previously projected. The General Assembly was compelled to impose major cuts to last year's budget, many of which were restored with the enactment of the budget for the 2021–2022 fiscal year. The General Fund budget of $13.6 billion proposed by Democratic Governor Jared Polis represented a substantial spending increase of 20 percent from the prior year. The enacted $13.1 billion General Fund budget received nearly unanimous approval among Democrats and modest Republican support. Policymakers ultimately sought to balance competing priorities across many issue areas, while also preparing for the future with a major investment of $1.5 billion to the state's reserve fund.

## Introduction

The global COVID-19 pandemic affected nearly every aspect of modern society and caused millions of hospitalizations and deaths across the globe. By the end of 2021, the state of Colorado alone reported nearly one million positive COVID-19 cases that resulted in more than 10,000 deaths (*New York Times* 2021). The economic shocks from the pandemic produced a recession that disproportionately affected certain economic sectors and the lives and livelihoods of all Coloradans. The state's unemployment rate ballooned to 12.1 percent in April 2020 after ending the prior year at 2.6 percent (Bureau of Labor Statistics 2021). Federal and state governments adopted numerous public health measures seeking to contain the spread of the virus. Congress and state legislatures across the country also enacted economic stimulus bills aimed at mitigating the pandemic's economic damage. In addition to the worst public health crisis in a century and a major economic recession, the year 2020 also witnessed a highly charged presidential election unlike any the nation has ever seen.

The global COVID pandemic had less of an effect on election administration in Colorado—relative to other states—because Colorado has employed a vote by mail system since 2013. Most of the nearly 3.3 million ballots in the 2020 election were submitted by mail or returned to ballot drop-off sites. Turnout among active voters was 86.9 percent, which corresponds to a voting eligible turnout rate of 76.4 percent. The results of the 2020 elections in Colorado produced few legitimate surprises. The Joe Biden and Kamala Harris ticket carried the state with 55.4 percent of the vote to 41.9 percent for Donald Trump and Mike Pence. The party composition of the state's House delegation remained unchanged, with four Democrats and three Republicans elected to 2-year terms. The most unexpected election result in this cycle occurred before the general election. Political novice and business owner Lauren Boebert defeated Republican incumbent Scott Tipton in a primary election for the state's third congressional district. Boebert's firebrand political style, characterized by incendiary rhetoric and enthusiastic allegiance for President Trump, catapulted her to a surprising 9-point primary win over Tipton, who had served five terms in the House. Boebert's brash campaign included vociferous support for the second amendment and tacit backing of various QAnon conspiracy theories. Despite numerous campaign controversies, Boebert emerged victorious in the general election where she defeated Democrat Diane Mitsch Bush by 6 percentage points in Colorado's most competitive congressional election of 2020.

Party control of the General Assembly remained with the Democrats, who maintained a 41-24 advantage in the House and increased the size of their majority by an additional seat in the Senate where party division stands at 20 Democrats and 15 Republicans. There was not a governor's election in the 2020 election cycle following the election of Democratic Governor Jared Polis in 2018. The contentious presidential election took center stage as a result, although neither Trump nor Biden held a campaign event in Colorado, and the Democrats ultimately won the presidential popular vote in the state by a substantial margin. As Colorado solidified its status as a blue state in the Electoral College, many polls suggested a more competitive race for U.S. Senate between Republican incumbent Cory Gardner and former governor John Hickenlooper. Following a short-lived candidacy for the Democratic presidential nomination, Hickenlooper launched a bid to unseat the one-term incumbent Gardner, viewed by many as the most vulnerable Senate Republican running for reelection. Gardner was widely considered the second most vulnerable incumbent Senator in this cycle after Democratic Senator Doug Jones from Alabama. Hickenlooper emerged victorious as expected on election night, defeating Gardner by nearly 10 percentage points receiving 53.5 percent of the vote.

Several economic and budget related ballot measures appeared on the statewide ballot in 2020, including a proposal to reduce the state's income tax rate from 4.63 percent to 4.55 percent, which passed with robust support. Voters also approved Amendment B, which repealed the Gallagher Amendment that established residential and non-residential property tax rates in the Colorado Constitution. Although tax increases have historically been unpopular in the Centennial State, the passage of proposition EE raised taxes on cigarettes, tobacco, and other nicotine products such as e-cigarettes and vaping cartridges. Stemming from recent controversies surrounding the use of state fees to circumvent constitutional requirements imposed by the Taxpayer Bill of Rights (TABOR) (see Berry 2017), Proposition 117 will require voter approval of future state enterprise funds with projected or actual fee revenue exceeding $100 million within its first five years. The passage of Proposition 118 created a new family and medical leave

program funded by a payroll tax split by employers and employees that will allow workers to take up to 12 weeks of paid leave. Colorado's historical passage rate is about 35 percent, but in 2020 a total of nine of the eleven statewide measures passed. The only two that failed were Proposition 115, which sought to ban abortion 22 weeks following gestation, and amendment C, which would have reformed lottery regulations for charitable organizations. In sum, however, statewide election outcomes resulted in an uncharacteristic number of policy changes, many with important economic consequences. Unified Democratic government remained in place in Denver, which set the stage for the 2021–2022 budget cycle. The three sections that follow discuss the state's demographics, revenue, and spending.

## Demographics

The Census Bureau estimates the state's population in 2020 to be 5.7 million residents, which is an increase of 14.8 percent from 2010. This population increase has outpaced growth in new housing units over the past decade. Only Utah (16 percent) and Texas (15.3 percent) have experienced larger growth rates since 2010. Colorado joined Oregon, Montana, Texas, Florida, and North Carolina as the six states that gained at least one seat in the House of Representatives following reapportionment. Because of the redistricting reforms approved by voters in 2018, boundaries for all eight congressional districts will be drawn by an independent redistricting commission. Table 1 presents further demographic and economic data from the Census Bureau (2021) and Bureau of Labor Statistics (BLS) (2021) for Denver County, Colorado, and the United States.

The pre-pandemic unemployment rate in Colorado commonly fluctuated between 2 and 3 percent. At the beginning of 2020, the state's unemployment rate stood at just 2.7 percent. Job losses from the COVID recession produced double-digit unemployment figures for three consecutive months in the spring, with a maximum of 12.1 percent unemployment in April (BLS 2021). Industries disproportionately affected included retail trade, accommodation, hospitality, food service, arts, entertainment, and recreation. Similar to patterns in other states, job losses in Colorado were sharper and longer lasting among lower-income earners. State economists reported a change in employment among lower-income individuals of about 35 percent from January to May 2020. After reaching an apex in April, unemployment figures have improved or remained steady in each month thereafter. BLS data indicate that Colorado unemployment returned to single digits in July 2020 and fell below 7 percent in October. Unemployment levels in the state steadily decreased by a monthly average of 0.14 percent, reaching a pandemic low of 5.1 percent in November. According to one estimate, the state had recovered about 85 percent of the COVID job losses, which is better than the national average, but only one metropolitan area—Colorado Springs—had so far exceeded pre-pandemic employment levels (Chuang 2021). The civilian labor force participation rates of 72.2 percent in Denver County and 67.6 percent in Colorado are both better than the national figure of 63 percent.

**Table 1.** Demographic Comparison Table: 2019/2020

| | Denver County | Colorado | United States |
|---|---|---|---|
| Population | 727,211 | 5,758,736 | 328,239,523 |
| Population change from 2010 | 21.2% | 14.5% | 6.3% |
| Race and Ethnicity | | | |
| White | 80.9% | 86.9% | 76.3% |
| African American | 9.8% | 4.6% | 13.4% |
| American Indian | 1.7% | 1.6% | 1.3% |
| Asian | 4.1% | 3.5% | 5.9% |
| Hispanic or Latino | 29.3% | 21.8% | 18.5% |
| Foreign-Born Persons | 15.0% | 9.7% | 13.6% |
| Per Capita Income | $43,770 | $38,226 | $34,103 |
| Median Household Income | $68,592 | $72,331 | $62,843 |
| Median Home Price | $390,600 | $343,300 | $217,500 |
| Owner-Occupied Housing Unit Rate | 49.9% | 65.2% | 64.0% |
| Poverty Rate | 12.4% | 9.0% | 11.4% |
| Bachelor's Degree or Higher | 49.4% | 40.9% | 32.1% |
| Unemployment Rate (April 2020) | 13.4% | 12.1% | 14.8% |
| Unemployment Rate (January 2021) | 7.7% | 6.6% | 6.3% |
| Civilian Labor Force Participation Rate | 72.2% | 67.6% | 63.0% |

Note: Data from the Census Bureau (2021) and the Bureau of Labor Statistics (2021).

Per capita and household income levels in Colorado and Denver County remained greater than the national average. Median home prices in the state ($343,300) and county ($390,600) were likewise substantially above the median home price in the United States ($217,500). The influx of new residents coupled with high real estate prices has kept affordable housing a persistent problem, particularly in the Denver metro area and many mountain communities across the state. For example, the Crested Butte city council recently declared a housing emergency while debating policy reforms to address the affordable housing crisis, including a one-year moratorium on short-term rental licenses. The city was also considering other measures, including easing restrictions on camping and imposing greater taxes on rental or vacation properties. Other innovative efforts to increase the availability of affordable housing in places such as Ouray, Ridgway, and Telluride included revising zoning ordinances to permit greater resident density. Efforts also included designating housing as only available to the local workforce by attaching income and deed restrictions to certain property developments. The rapid

growth of the state's population has also had effects on the composition of the Colorado electorate.

According to the state's active voter rolls, a plurality of voters in Colorado are registered as unaffiliated (40.8 percent). Thirty percent of the electorate is registered Democratic, and Republican registration places third at 27.3 percent (Colorado Department of State 2020). The proportion of unaffiliated voters increased by nearly 5 percentage points since the 2016 election. Contributing factors to this increase are election reforms passed in 2016, which replaced the existing caucus system with a presidential primary, and a second reform that allowed unaffiliated voters to participate in the party primary of their choice. Unaffiliated voters were previously prohibited from participating in primary elections or caucus meetings. Voters in Colorado who self-identified as unaffiliated or independent voted 55-40 in favor of the Democratic ticket in the 2020 presidential election, while the split among ideological moderates was 65-30 in favor of Biden/Harris (*New York Times* 2020).

Regarding the racial and gender composition of the electorate, exit poll data from 2020 estimate white voters to constitute 79 percent of the electorate. Latino and Latina voters were the largest non-white voting bloc at 12 percent of voters, while the proportion of Black voters was about 3 percent (*New York Times* 2020). These numbers, however, do not reflect the actual size of racial minority groups in the state. According to Census data, Colorado's Hispanic population is nearly 22 percent, the Black population is 4.6 percent, and the Native American population is 1.6 percent. A plurality of the state's voters in 2020 were white women (44 percent). An additional 35 percent of ballots were cast by white men. White women voted Democratic in the presidential election by a 2-1 margin, while Biden received 49 percent of the state's white male vote to Trump's 48 percent (*New York Times* 2020).

## Revenue

Decreased economic activity and substantial job losses beginning in March 2020 resulted in a projected decline in state revenue for the first time since 2009. The Office of State Planning & Budgeting revenue forecast projected an overall decrease in state revenue of 4.7 percent to $12.3 billion in the 2020–21 fiscal year (2021). This was a substantial decrease in state revenue but an improvement upon earlier projections, which previously estimated a percentage drop in revenues exceeding double digits. Revenues for the 2021–22 fiscal year, however, are predicted to return to pre-pandemic levels. Prior to the COVID pandemic, individual income tax revenues grew by nearly 5 percent. The projected decline in income tax revenue during the first year of the pandemic was 8.1 percent totaling $8.2 billion (OSPB 2021). The OPSB projects income tax revenue to rebound in 2022 and beyond—however, not reaching pre-pandemic growth levels, claiming that the "reduction is expected to be short-lived and mitigated by the fact that low-income earners were disproportionately impacted by the pandemic" (2021, 51). Such a turnaround would be critical to Colorado's economic recovery as income taxes represent about two-thirds of General Fund revenues.

Corporate income tax collections were also deeply affected by the pandemic and fell by 20.8 percent to $728.3 million in the 2019–20 fiscal year. Economists predict that corporate taxes will continue in a downward trajectory by an additional 10 percent in 2021. Unlike income and

corporate taxes, sales tax revenues increased during the pandemic on account of increased online shopping and a gradual rebound in retail sales. Overall, sales tax revenue increased 4.7 percent in 2020, with state projections for an additional 6.5 percent this year. Beginning this year, Colorado will also generate a greater amount of cigarette tax revenue, which equaled $32.5 million in 2020, following the passage of proposition EE. Cigarette taxes increased from 84 cents to $1.94 per pack in 2021 and will reach $2.64 in 2027. Tax rates on other tobacco products, including vaping products containing nicotine, will similarly increase to 62 percent in 2027.

**Table 2.** Marijuana Sales and Tax Revenue: 2014–2021

| Year | Marijuana Sales | Marijuana Tax and Fee Revenue |
|---|---|---|
| 2014 | $683,523,739 | $67,594,323 |
| 2015 | $995,591,255 | $130,411,173 |
| 2016 | $1,307,203,473 | $193,604,810 |
| 2017 | $1,507,702,219 | $247,368,473 |
| 2018 | $1,545,691,080 | $266,529,637 |
| 2019 | $1,747,990,628 | $302,458,426 |
| 2020 | $2,191,091,679 | $387,480,110 |
| 2021* | $1,902,490,501 | $392,876,490 |

Note: The 2021 sales data are from January through October 2021. The 2021 tax and fee data include January through November 2021. Data are from Colorado Department of Revenue (2021).

Revenue generated through the state's legal marijuana market continues to climb. The state reported record sales for the sixth consecutive year, reaching nearly $2.2 billion in 2020. Table 2 reports annual marijuana sales and tax revenue data. State revenue from the medical and retail marijuana markets in the form of taxes and fees totaled $387 million in 2020. Marijuana tax revenue generated through November 2021 had already exceeded the prior year's total. Cumulative sales will exceed $2 billion for just the second time, and associated taxes and fees will be greater than $400 million for the first time.

## Spending

Governor Polis' budget proposal for the 2021–2022 fiscal year proposed a total funds budget of $35.4 billion, which is a 9 percent increase from the prior year. The General Fund spending budget of $13.6 billion is a 20 percent increase of $2.25 billion. His letter to the Joint Budget Committee (JBC) began by noting the extraordinary challenges and opportunities brought about by the global pandemic, an economic recession, the Black Lives Matter movement for racial justice, and historic wildfires and other natural disasters. Introducing his second budget since the pandemic began, Polis stated, "Each of these crises has exposed weaknesses in our systems of

public health and health care, commerce, and education, and highlighted the urgency to take bold climate action in order to protect our Colorado way of life. To meet the moment and to build resiliency for the future, we must make critical investments to position Colorado for a strong, inclusive, and rapid recovery. Colorado will not only recover from these crises, but together we will build back stronger than before" (2020). In addition to the $13.6 billion in General Fund spending, the governor also proposed a one-time economic stimulus of $1.3 billion.

Upon taking office in 2019, Governor Polis highlighted four key areas of investment: 1) tax reform and economic development, 2) energy and renewables, 3) health, and 4) education and workforce. He described his budget request as "fundamentally a statement of values" that proposed continued emphasis on many programs and spending in these areas. The letter to the JBC stated that the governor's budget request furthered policy objectives in each of these areas with an emphasis on economic recovery; K-12 and higher education; environmental initiatives related to climate change, air quality, wildfire prevention and management; and health care including public health measures related to the fighting COVID as well as behavioral and mental health. The overall narrative from the governor's budget request argued that it would allow the state to effectively respond to the many crises created by the COVID-19 pandemic. The governor claimed it would do so by restoring many of the cuts made to education, social services, and health care imposed by last year's budget when the General Assembly had to make substantial cuts due to drastic reductions in state revenue.

The governor's 2021–2022 budget proposal requested funding increases for nearly all state departments (exempting Local Affairs and Public Safety) relative to last year. The budget summary emphasized several measures intended to help the state "build back stronger," including:

> • $220 million to create jobs while preparing Colorado to meet demands of the future by investing in shovel ready transportation and infrastructure projects
> • $160 million to invest in broadband infrastructure to move us boldly forward and ensure that Coloradans can learn and work remotely, no matter where they live
> • $140 million to invest in our workforce and incentivize business growth in Colorado
> • $78 million for wildfire relief, mitigation, and prevention- in light of our extraordinary wildfire season, driven by a changing climate
> • $38 million in investments to increase access to behavioral health, promote health equity and social justice, and improve our state's readiness for future disease outbreaks
> • $200 million placeholder for one-time investments/stimulus priorities identified by the legislature (Polis 2020).

The budget signed into law by Governor Polis on May 17 authorized a General Fund budget of $13.1 billion and $34.1 billion in total fund spending. The final column of Table 3 lists the appropriation levels approved for each department along with the percent change from the prior fiscal year. Every state department ultimately received a greater appropriation amount relative to last year. The largest spending categories in this year's budget are health care, K-12 education, higher education, human services, and corrections. Health care spending represents about one-quarter of the General Fund budget, with another one-third appropriated to K-12 education. Higher education and human services each account for about 10 percent of the budget. The

proposed and enacted funding levels for state departments and changes from the prior year's budget are reported in Table 3.

The enacted budget imposes substantial funding increases for both K-12 and Higher Education. Returning Higher Education spending to its pre-pandemic level was especially critical. Although the state routed hundreds of millions of dollars in federal funds to higher education institutions, colleges and universities experienced substantial funding cuts in the prior year's budget as the legislature sought to address a budget shortfall of $3.5 billion following substantial revenue losses brought on by the pandemic. The Higher Education budget was ultimately cut by $494 million. This 58 percent reduction from the prior year was largely restored as the 101 percent increase for Higher Education was the largest of any state department. Other substantial funding restorations from pandemic cuts included Personnel, Public Health and Environment, and Regulatory Departments.

Another policy critical to the well-being of the state is the investment in wildfire prevention and mitigation efforts. Three of the largest wildfires in Colorado history occurred in 2020, which had lasting destructive effects on people, property, and animals across the state. After an extraordinary wildfire season, Governor Polis argued that greater financial investments in wildfire relief, mitigation, prevention, and recovery "will build the state's capacity to respond to wildfires quickly and effectively, invest in mitigation activities to reduce the risk from future fires, and dedicate resources to recovering from this historic fire season" (2020). Wildfire funds were slated to procure additional aircraft to fight wildfires in addition to creating fire prevention and related recreation job opportunities, particularly in rural areas. Severe drought conditions that exist in Colorado and across the Western United States make this an especially important investment in the state's ability to prevent and respond to catastrophic wildfires.

A notable aspect of the state's budgetary situation during the COVID pandemic was the unprecedented federal economic assistance to state and local governments. Former President Trump signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act into law in March 2020 (134 Stat. 281, Public Law 116-136). The massive $2.2 trillion economic stimulus initiative included direct financial aid to U.S. taxpayers, increased unemployment benefits, and assistance to state and local governments, in addition to creating the Paycheck Protection Program, which provided much needed loans to small businesses across the nation. The Paycheck Protection Program and Health Care Enhancement Act provided further funding for the Paycheck Protection Program bringing federal support for small businesses through this program to $669 billion (134 Stat. 620, Public Law 116-139). Shortly after taking office, President Biden signed the American Rescue Plan Act (135 Stat. 4, Public Law 117-2) in March 2021 as another colossal $1.9 trillion economic stimulus measure. State and local governments across the nation were all beneficiaries of these federal stimulus funds.

**Table 3.** Proposed and Enacted Colorado General Fund Appropriations, Fiscal Year 2021–22

| Department | FY 2020–21 Spending | FY 2021–22 Requested (% change) | FY 2021–22 Enacted (% change) |
|---|---|---|---|
| Agriculture | 11.34 | 12.91 (13.8%) | 13.40 (18.2%) |
| Corrections | 841.28 | 847.33 (0.7%) | 867.65 (3.1%) |
| Education | 3,929.01 | 4,508.60 (14.8%) | 4,294.11 (9.3%) |
| Health Care Policy and Financing | 3,184.71 | 3,511.28 (10.3%) | 3,346.72 (5.1%) |
| Higher Education | 604.52 | 1,111.17 (83.8%) | 1,216.23 (101.2%) |
| Human Services | 960.43 | 996.24 (3.7%) | 1,108.25 (15.4%) |
| Judicial | 580.37 | 598.40 (3.1%) | 624.21 (7.6%) |
| Labor and Employment | 18.49 | 19.05 (3.0%) | 20.40 (10.3%) |
| Law | 14.28 | 15.08 (5.6%) | 16.31 (14.2%) |
| Legislative | 53.64 | 53.64 (0.0%) | 59.59 (11.1%) |
| Local Affairs | 41.56 | 37.77 (-9.1%) | 57.13 (37.5%) |
| Military and Veterans Affairs | 10.34 | 10.64 (2.9%) | 11.77 (13.8%) |
| Natural Resources | 32.70 | 35.17 (7.6%) | 37.34 (14.2%) |
| Personnel | 14.05 | 17.10 (21.7%) | 20.07 (42.8%) |
| Public Health and Environment | 59.96 | 60.70 (1.2%) | 92.10 (53.6%) |
| Public Safety | 152.02 | 147.73 (-2.8%) | 173.89 (14.4%) |
| Regulatory Agencies | 1.94 | 2.16 (11.6%) | 2.87 (47.9%) |
| Revenue | 117.40 | 122.27 (4.2%) | 141.51 (20.5%) |
| Treasury | 179.29 | 361.64 (101.7%) | 344.22 (92.0%) |

Note: Numbers reported are in millions. Data are from Governor Polis' FY 2021–2022 budget request and enacted budget. Numbers in parentheses indicate percent change from 2020–2021 spending levels. Some minor percentage differences are attributable to rounding.

Colorado received an estimated $37 billion in federal economic assistance from the stimulus laws enacted in 2020, including $17.6 billion for business loans and grants, $6.2 billion in unemployment benefits, $5.0 billion in aid to local governments, $4.6 billion in economic impact payment checks, and $3.6 billion in health care assistance (Svaldi 2021). To help Colorado businesses survive the economic effects of the pandemic, the federal government allocated $14.0 billion toward Paycheck Protection Program loans. The state is further slated to receive an additional $6 billion from the 2021 American Rescue Plan, which includes an estimated $4

billion for the state government, $1.1 billion for county governments, and $0.8 billion for local governments (Aguilar 2021). Many governments, businesses, and residents across the state were in dire need of economic assistance to endure the pandemic's many hardships, yet Colorado frequently ranked below the national median in terms of per capita federal assistance in many categories. An analysis by the *Denver Post* reports that Colorado ranked 30th overall in federal COVID assistance funding, including among the lowest in economic impact payment checks (43rd), aid to state and local governments (46th), and health care assistance (49th) (Hamm 2021). The state ranked closer to the national median in federal unemployment benefits (23rd) and business loans and grants (18th).

## Conclusion

On the final day of April 2021, the House passed the conference report for the 2021–2022 budget by a 39-24 margin. Just one House Democrat voted against the bill, and one House Republican voted in favor, resulting in a final passage margin identical to the party division in the chamber (exempting two abstentions). The Senate agreed to the conference report with 25 votes in favor and nine no votes. All nine no votes were cast by Republican Senators. Six Republican Senators joined all voting Democrats to support the passage of the final budget report. Journalists attributed this year's broadly bipartisan budget in part to a commonly held belief that the state needed to restore many of the budget cuts from the prior year. The ability to increase funding across all departments was made possible by an "unexpectedly swift bounce-back for the state economy that briefly plunged in the early pandemic" (Burness 2021). Partisan disagreement before the bill's final passage included Republican criticism that more funding for police body cameras was not agreed to following the defeat of an amendment to allocate $6 million for police cameras.

Final passage of the budget was characteristic of many laws passed during this legislative session. An analysis conducted by the *Colorado Sun* found that 94 percent of the 504 bills enacted into law had at least some Republican support (Fish and Paul 2021). Notably, especially given vocal Republican opposition to many elements of the Democratic majority's progressive agenda, including gun control, taxes, and climate change initiatives, 13 of 24 House Republicans voted in favor of more than 50 percent of enacted laws, as did all 15 Senate Republicans. These voting patterns suggest greater levels of bipartisanship in the Colorado General Assembly—particularly in the Senate—than one might expect, given that the legislature is among the most ideologically polarized in the West (Shor and McCarty 2011). However, Republican support on the state's budget appears less robust than other measures adopted into law. The final passage votes for nearly 300 laws enacted during the session received at least 20 Republican yes votes, which the budget failed to reach. Republican opposition to the final budget included objections about the overall size of the spending package, which equaled $34.1 billion in total funds spending and surpassed last year's spending by greater than $4 billion. However, in some areas like transportation, some Republicans advocated for increased appropriations for designated infrastructure projects and fewer funds set aside for social programs or future reserves.

The final General Fund budget of $13.1 billion sought to balance many competing priorities, many related to the pandemic, while also preparing for the future. The 2021–2022 fiscal year budget included spending increases across all state departments while still setting aside a

substantial investment of $1.5 billion into the state's reserve fund. State employees welcomed 3 percent raises included in this year's budget, which also included an additional $800 million for COVID stimulus measures, including state infrastructure projects. The ability to spend more than expected in this fiscal year is attributable to substantial cuts made by the legislature to last year's budget coupled with improved economic conditions despite the ongoing pandemic. According to the governor, a key theme in this year's budget cycle was "restoring major reductions made to key areas in FY20-21 and ensuring essential services across government" (Polis 2020). Higher education was a primary beneficiary of this, with most colleges and universities foregoing tuition increases or using Higher Education Emergency Relief Funds to offset small tuition hikes. Restoring budget cuts from the prior year also allowed for investments in areas beyond education.

The COVID pandemic exacted a great toll on the Colorado economy. Despite economic improvements over the past year, the pandemic continues to create financial uncertainties for policymakers. Fluctuating tax revenue projections made initial work on the 2021–2022 budget challenging for both the governor and the Joint Budget Committee. Better than expected revenue growth ultimately permitted the state to restore many of the sizeable cuts imposed during the prior fiscal year. Economic stimulus dollars from the federal government likewise helped to bolster the state's precarious economic condition alongside a one-time COVID stimulus measure of $800 million in state funds. While not out of the woods, current economic trends and forecasts regarding employment and revenue provide cause for optimism as the state's economy continues an uneven but upward trajectory in recovery from the pandemic's great upheaval.

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