



Memorandum

To: Joint Budget Committee Members
From: Kelly Shen, JBC Staff (303-866-5434)
Date: February 2, 2026
Subject: Potential Legislation Packet 2

This packet includes bill drafts for the Committee's consideration. Each individual item has page numbers, but also a packet page number (P-XXX) to help navigate the whole document. The page numbers below refer to the packet page number that begins with a "P".

If the Committee would like to approve a bill draft for introduction as a supplemental package bill, the motion should include the following:

- Approve for introduction in the House as a JBC bill LLS 25-XXXX that is part of the supplemental package;
- Identify prime sponsors and co-sponsors; and
- Grant staff permission to make technical changes including adding appropriations.

Potential Legislation

LLS 25-0818 General Fund Transfer to IT Capital Account (McLeer).....	P-1
LLS 25-0833 End Nursing Provider Wage Enhancement Payments (Kurtz).....	P-3
LLS 25-0754 Modify Fourth-Year Innovation Pilot Program (Bickel).....	P-9
LLS 25-0817 State Ed Fund READ Act & CO Teacher of Year Program (Bickel).....	P-19
LLS 25-0264 Expenditures in Excess of Appropriations (Harper).....	P-26

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

REDRAFT

1/30/26

Double underlining
denotes changes from
prior draft

DRAFT

LLS NO. 26-0818.01 Rebecca Bayetti x4348

HOUSE BILL

HOUSE SPONSORSHIP

Sirota and Taggart, Brown

SENATE SPONSORSHIP

Bridges and Kirkmeyer, Amabile

BILL TOPIC: General Fund Transfer to IT Capital Account

A BILL FOR AN ACT

101 **CONCERNING A TRANSFER FOR STATE FISCAL YEAR 2025-2026 FROM**
102 **THE GENERAL FUND TO THE INFORMATION TECHNOLOGY**
103 **CAPITAL ACCOUNT OF THE CAPITAL CONSTRUCTION FUND.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Joint Budget Committee. On April 1, 2026, the bill transfers \$3,646,420 from the general fund to the information technology capital account of the capital construction fund.

*Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words indicate deletions from existing law.*

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 24-75-302, **amend**
3 (2.3)(p) and (2.3)(q); and **add** (2.3)(r) as follows:

4 **24-75-302. Capital construction fund - capital assessment fees**
5 **- calculation - information technology capital account - repeal.**

6 (2.3) In addition to the sums transferred pursuant to subsections
7 (2) and (2.5) of this section, the state treasurer and the controller shall
8 transfer a sum as specified in this subsection (2.3) from the general fund
9 to the information technology capital account created in subsection (3.7)
10 of this section as money becomes available in the general fund during the
11 fiscal year beginning on July 1 of the fiscal year in which the transfer is
12 made or on April 1 of the fiscal year if otherwise specified. Transfers
13 between funds pursuant to this subsection (2.3) are not appropriations
14 subject to the limitations of section 24-75-201.1. The amounts transferred
15 pursuant to this subsection (2.3) are as follows:

16 (p) On July 1, 2024, seventy million eight hundred eleven
17 thousand three hundred thirty-four dollars; **and**

18 (q) On July 1, 2025, twenty million five hundred fifty-seven
19 thousand four hundred thirty-three dollars; **AND**

20 (r) **ON APRIL 1, 2026, THREE MILLION SIX HUNDRED FORTY-SIX**
21 **THOUSAND FOUR HUNDRED TWENTY DOLLARS.**

22 **SECTION 2. Safety clause.** The general assembly finds,
23 determines, and declares that this act is necessary for the immediate
24 preservation of the public peace, health, or safety or for appropriations for
25 the support and maintenance of the departments of the state and state
26 institutions.

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

DRAFT
2/2/26

DRAFT

LLS NO. 26-0833.01 Conrad Imel x2313

COMMITTEE BILL

Joint Budget Committee

BILL TOPIC: End Nursing Provider Wage Enhancement Payments

A BILL FOR AN ACT

101 **CONCERNING ENDING WAGE ENHANCEMENT SUPPLEMENTAL**
102 **PAYMENTS TO NURSING HOME PROVIDERS, AND, IN CONNECTION**
103 **THEREWITH, REDUCING AN APPROPRIATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Joint Budget Committee. The bill prohibits the department of health care policy and financing from making a wage enhancement supplemental payment to an eligible nursing home provider regardless of when the services were provided.

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Dashes through the words indicate deletions from existing law.*

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 25.5-6-208, **add** (6.5)

3 as follows:

4 **25.5-6-208. Nursing facility provider reimbursement - rules -**
5 **definition - repeal.**

6 (6.5) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION
7 TO THE CONTRARY, THE STATE DEPARTMENT SHALL NOT MAKE A WAGE
8 ENHANCEMENT SUPPLEMENTAL PAYMENT TO AN ELIGIBLE NURSING HOME
9 PROVIDER ON OR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (6.5)
10 REGARDLESS OF WHEN THE SERVICES FOR WHICH WAGE ENHANCEMENT
11 SUPPLEMENTAL PAYMENTS ARE PROVIDED ARE DELIVERED.

ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FONDS	REAPPROPRIATED FUND	FEDERAL FUND
\$	\$	\$	\$	\$	\$	\$

SECTION 2. Appropriation to the department of health care policy and financing for the fiscal year beginning July 1, 2025. In Session Laws of Colorado 2025, section

2 of chapter 476, (SB 25-206), **amend** Part VI (2) and the affected totals as follows:

Section 2. Appropriation.

PART VI

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

(2) MEDICAL SERVICES PREMIUMS

Medical and Long-Term

Care Services for Medicaid

Eligible Individuals

13,365,398,428 2,591,984,332(M) 1,292,968,309^a 1,480,091,193^b 124,197,922^c 7,876,156,672

13,356,678,506 2,587,624,371(M)

124,197,922^c

~~7,876,156,672~~

7,871,796,711

^a This amount shall be from the General Fund Exempt Account created in Section 24-77-103.6 (2), C.R.S.

APPROPRIATION FROM

ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
\$	\$	\$	\$	\$	\$	\$

¹ ^b Of this amount, \$1,121,530,725 shall be from the Healthcare Affordability and Sustainability Fee Cash Fund created in Section 25.5-4-402.4 (5)(a), C.R.S., \$76,010,738 shall be from recoveries and recoupments, \$73,586,261 shall be from the Adult Dental Fund created in Section 25.5-5-207 (4)(a), C.R.S., \$62,525,000 shall be from the Medicaid Nursing Facility Cash Fund created in Section 25.5-6-203 (2)(a), C.R.S., \$60,581,773 represents public funds certified as expenditures incurred by public emergency medical transportation providers, \$46,929,200 shall be from the Health Care Expansion Fund created in Section 24-22-117 (2)(a)(I), C.R.S., \$28,169,342 represents public funds certified as expenditures incurred by public hospitals and agencies that are eligible for federal financial participation under the Medicaid program, \$6,660,761 shall be from the Medicaid Buy-In Cash Fund created in Section 25.5-6-1404 (3)(b), C.R.S., \$1,503,600 shall be from the Tobacco Tax Cash Fund created in section 24-22-117 (1)(a), C.R.S., and meets the requirement to appropriate a portion of the revenues collected from the imposition of additional state cigarette and tobacco taxes to the Old Age Pension program for health related purposes pursuant to Section 21 of Article X of the State Constitution, \$857,151 shall be from the Tobacco Education Programs Fund created in Section 24-22-117 (2)(c)(I), C.R.S., \$836,182 shall be from the Breast and Cervical Cancer Prevention and Treatment Fund created in Section 25.5-5-308 (8)(a)(I), C.R.S., \$700,000 shall be from an intergovernmental transfer from Denver Health, and \$200,460 shall be from the Service Fee Fund created in Section 25.5-6-204 (1)(c)(II), C.R.S.

¹¹ ^c Of this amount, \$112,280,907 shall be transferred from the Department of Higher Education from the Fee-for-service Contracts with State Institutions for Speciality Education Programs line item, \$9,253,841 shall be transferred from the Old Age Pension State Medical Program line item appropriation in the Other Medical Services division of this department, \$1,505,000 shall be from the Department of Early Childhood from the Home Visiting line item, and \$1,158,174 shall be transferred from Public School Health Services line item in the Other Medical Services division of this department.

APPROPRIATION FROM							
	ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
		\$	\$	\$	\$	\$	\$
1	TOTALS PART VI						
2	(HEALTH CARE						
3	POLICY AND						
4	FINANCING)²⁵	\$18,165,190,661	\$4,247,295,247	\$1,293,261,386^a	\$2,002,883,994^b	\$144,020,883	\$10,477,729,151^c
5		\$18,156,470,739	\$4,242,935,286				\$10,473,369,190^c

^a Of this amount, \$1,292,968,309 shall be from the General Fund Exempt Account created in Section 24-77-103.6 (2), C.R.S., and \$293,077 shall be General Fund Exempt pursuant to Section 24-22-117 (1)(c)(I)(B.5), C.R.S. Said \$293,077 is not subject to the statutory limitation on General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

^b Of this amount, \$22,358,429 contains an (I) notation.

^c Of this amount, \$424,775,104 contains an (I) notation.

1 **SECTION 3. Safety clause.** The general assembly finds,
2 determines, and declares that this act is necessary for the immediate
3 preservation of the public peace, health, or safety or for appropriations for
4 the support and maintenance of the departments of the state and state
5 institutions.

DRAFT

LLS NO. 26-0754.01 Jacob Baus x2173

COMMITTEE BILL

Joint Budget Committee

BILL TOPIC: Modify Fourth-Year Innovation Pilot Program

DEADLINES: File by: 1/28/2026

A BILL FOR AN ACT

101 **CONCERNING MODIFICATIONS TO THE FOURTH-YEAR INNOVATION**
102 **PILOT PROGRAM, AND, IN CONNECTION THEREWITH, REDUCING**
103 **AN APPROPRIATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Joint Budget Committee. Under current law, the fourth-year innovation pilot program (program) provides state funding to students with low incomes who graduate early from a high school participating in the program.

Under the program, each year the general assembly appropriates

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an amount to the department of education (department) for the department to distribute to local education providers from which an eligible graduate graduated early.

The bill:

- Discontinues the amount appropriated by the general assembly to the department for distribution to eligible local education providers for eligible graduates who graduate during the 2025-26 school year; and
- Requires the department to prorate the amount distributed from the appropriation, if any.

Under the program, an eligible graduate may receive funding for tuition, fees, books, transportation, and other costs of attendance associated with their postsecondary program if, among other requirements, the eligible graduate commences their postsecondary program within 18 months after graduating early.

The bill requires an eligible graduate who graduates early in the 2025-26 school year to commence their postsecondary program by December 31, 2026.

Under current law, the department of higher education is required to submit a final evaluation report, including the impacts and outcomes of the program on the student cohorts that participated in the program and recommended next steps for the program. The bill repeals this requirement.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 23-3.3-1303, **amend**
3 (3)(b)(II) as follows:

4 **23-3.3-1303. Fourth-year innovation pilot program - creation**
5 **- eligibility - award of state funding - commission policies.**

6 (3) (b) (II) (A) FOR AN ELIGIBLE GRADUATE WHO GRADUATES
7 EARLY DURING THE 2021-22, 2022-23, 2023-24, OR 2024-25 SCHOOL
8 YEAR, the general assembly ~~shall also~~ ~~shall~~ MAY appropriate to the department
9 of education in the budget year that commences in July following the
10 student's early graduation an amount ~~sufficient for payment of~~ NOT TO
11 EXCEED twenty-five percent of the average state share of the state average
12 per-pupil revenues for the 2021-22 budget year, as calculated during the

1 2021 regular legislative session, for distribution to the local education
2 provider from which the eligible graduate graduated early prior to
3 completion of the eligible graduate's fourth year of high school. The local
4 education provider is encouraged to direct a portion of the money
5 received pursuant to this subsection (3)(b)(II) to high-quality career and
6 postsecondary counseling and supports to ensure that students who may
7 be eligible for state funding are aware of the pilot program and receive
8 appropriate assistance in determining how to allocate state funding
9 received pursuant to the pilot program to their intended postsecondary
10 program.

11 (B) IN A STATE FISCAL YEAR FOR WHICH THE AMOUNT
12 APPROPRIATED IS LESS THAN TWENTY-FIVE PERCENT OF THE AVERAGE
13 STATE SHARE AS DESCRIBED IN SUBSECTION (3)(b)(II)(A) OF THIS SECTION,
14 THE DEPARTMENT OF EDUCATION SHALL PRORATE THE DISTRIBUTION TO
15 EACH LOCAL EDUCATION PROVIDER FROM WHICH AN ELIGIBLE GRADUATE
16 GRADUATED FROM ANY MONEY APPROPRIATED PURSUANT TO SUBSECTION
17 (3)(b)(II)(A) OF THIS SECTION.

18 **SECTION 2.** In Colorado Revised Statutes, 23-3.3-1305, **repeal**
19 (4) and (5) as follows:

20 **23-3.3-1305. Reporting requirements.**

21 (4) ~~On or before November 1, 2026, the department, in~~
22 ~~collaboration with the department of education, shall submit a final~~
23 ~~evaluation to the governor's office of state planning and budgeting, the~~
24 ~~joint budget committee, and the education committees of the house of~~
25 ~~representatives and of the senate, or their successor committees, which~~
26 ~~must be posted to the department's website and include, at a minimum,~~
27 ~~the following:~~

5 (b) Objective measures of changes in student behavior resulting
6 from implementation of the pilot program, including whether a student
7 enrolled in a participating school is:

8 (I) More likely to graduate early; and

9 (H) More likely to enroll in a postsecondary program, if the
10 student graduated early;

11 (c) Analysis of the cost-effectiveness of the pilot program,
12 including the impact on the state budget of the pilot program's incentives
13 for school districts and students when students graduate from high school
14 a single semester or a year early;

15 (d) Other information relevant to the costs, benefits, successes,
16 and challenges of the pilot program; and

17 (e) Recommendations concerning the feasibility and advisability
18 of continuing the pilot program beyond the pilot stage and changes, if
19 any, that are needed to continue the program beyond the pilot stage.

20 (5) (a) The department, in collaboration with the department of
21 education, may request, and participating local education providers shall
22 provide, data necessary to complete the final evaluation required in
23 subsection (4) of this section.

24 (b) Student data collected pursuant to subsection (4) of this
25 section and this subsection (5) must be disaggregated by gender, grade
26 level, local education provider type, ethnicity, disability, English language
27 learner status, free and reduced-price lunch status, and housing status to

1 the maximum extent possible in compliance with the "Colorado Privacy
2 Act", established pursuant to part 13 of article 1 of title 6; the federal
3 "Family Educational Rights and Privacy Rights Act of 1974", 20 U.S.C.
4 sec. 1232g; and the "Student Data Transparency and Security Act"
5 created pursuant to article 16 of title 22. The department and the
6 department of education shall maintain strict standards for student data
7 privacy; comply with standards for reporting data for a student with an
8 accommodation pursuant to section 504 of the federal "Rehabilitation Act
9 of 1973", 29 U.S.C. sec. 701 et seq., as amended, and its implementing
10 regulations, or a student with an individualized education plan; and shall
11 not publicly report individual student data for any purpose.

12 **SECTION 3.** In Colorado Revised Statutes, 23-3.3-1304, **amend**

13 (1) and (2)(a) as follows:

14 **23-3.3-1304. Receipt and use of state funding.**

15 (1) To receive state funding pursuant to the pilot program, an
16 eligible graduate must graduate early from a high school participating in
17 the pilot program. ~~The~~ AN eligible graduate WHO GRADUATES EARLY
18 DURING THE 2021-22, 2022-23, 2023-24, OR 2024-25 SCHOOL YEAR must
19 commence a postsecondary program within eighteen months after
20 graduating early, or the eligible graduate forfeits the state funding. AN
21 ELIGIBLE GRADUATE WHO GRADUATES EARLY DURING THE 2025-26
22 SCHOOL YEAR MUST COMMENCE A POSTSECONDARY PROGRAM NO LATER
23 THAN DECEMBER 31, 2026, OR THE ELIGIBLE GRADUATE FORFEITS THE
24 STATE FUNDING.

25 (2) (a) The department shall disburse state funding on behalf of
26 the eligible graduate to the eligible graduate's postsecondary program
27 within thirty business days after a request is made in the manner

1 determined pursuant to commission policies and department guidelines.
2 The eligible graduate's postsecondary program shall remit to the eligible
3 graduate that portion of state funding remaining after payment of tuition,
4 fees, and other expenses related to the student's cost of attendance that are
5 payable to the postsecondary program. The eligible graduate shall use
6 remaining state funding for the purposes described in subsection (2)(b)
7 of this section. NOTWITHSTANDING ANY OTHER REQUIREMENTS OF THIS
8 SECTION, THE DEPARTMENT SHALL MAKE ALL DISBURSEMENTS TO ELIGIBLE
9 GRADUATES' POSTSECONDARY PROGRAMS REQUIRED PURSUANT TO THIS
10 SUBSECTION (2)(a) NO LATER THAN THE CLOSE OF THE 2026-27 STATE
11 FISCAL YEAR.

	ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	APPROPRIATION FROM			FEDERAL FUNDS
					DEBT SERVICE	CASH FUNDS	REAPPROPRIATED FUNDS	
\$	\$	\$	\$	\$	\$	\$	\$	\$
1	Tuition Assistance for Career							
2	and Technical Education							
3	Certificate Programs	450,000		450,000				
4	Fourth-year Innovation Pilot							
5	Program	555,573		555,573				
6		524,615		524,615				
7			(1.0 FTE)					
8			(0.7 FTE)					
9	State Aid for Foster Students							
10	Program	2,962,463		2,962,463				
11			(4.0 FTE)					

APPROPRIATION FROM

DRAFT

	ITEM & SUBTOTAL	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUND	REAPPROPRIATED FUNDS	FEDERAL FUNDS
		\$	\$	\$	\$	\$	\$
1	Postsecondary Assistance for						
2	Students who were Homeless						
3	in High School	1,655,041		1,655,041			
4				(2.0 FTE)			
5		<u>38,574,695.0</u>					
6		38,543,737					
7							
8	TOTALS PART VII						
9	(HIGHER EDUCATION)	\$6,492,016,560	\$452,336,026	\$1,232,865,809 ^a	\$3,430,837,406 ^b	\$1,349,232,021	\$26,745,298 ^c
10		<u>\$6,491,985,602</u>	<u>\$452,305,068</u>				

^a This amount shall be from the General Fund Exempt Account created in Section 24-77-103.6 (2), C.R.S.

^b Of this amount, \$329,555,015 contains an (I) notation.

^c This amount contains an (I) notation.

1 **SECTION 5. Safety clause.** The general assembly finds,
2 determines, and declares that this act is necessary for the immediate
3 preservation of the public peace, health, or safety or for appropriations for
4 the support and maintenance of the departments of the state and state
5 institutions.

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

DRAFT
1/29/26

DRAFT

LLS NO. 26-0817.01 Conrad Imel x2313

COMMITTEE BILL

Joint Budget Committee

BILL TOPIC: State Ed Fund READ Act & CO Teacher of Yr Prog

A BILL FOR AN ACT

101 **CONCERNING SPENDING FROM THE STATE EDUCATION FUND FOR**
102 **SPECIFIED EDUCATIONAL PURPOSES, AND, IN CONNECTION**
103 **THEREWITH, PERMITTING APPROPRIATIONS FROM THE STATE**
104 **EDUCATION FUND FOR THE COLORADO TEACHER OF THE YEAR**
105 **PROGRAM AND SPECIFIED PURPOSES IN SUPPORT OF THE**
106 **"COLORADO READ ACT", DISCONTINUING ANNUAL TRANSFERS**
107 **TO CASH FUNDS FROM THE STATE EDUCATION FUND FOR THE**
108 **SAME, AND REPEALING THE CASH FUNDS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at

*Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words indicate deletions from existing law.*

Joint Budget Committee. Under existing law, money is annually transferred from the state education fund to the Colorado teacher of the year fund for the Colorado teacher of the year program and to the early literacy fund to fund specified purposes in support of the "Colorado READ Act".

The bill discontinues the annual transfers and instead permits the general assembly to appropriate money from the state education fund for the Colorado teacher of the year program and the same specified purposes in support of the "Colorado READ Act". The bill repeals the Colorado teacher of the year fund and the early literacy fund, effective September 1, 2027.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 22-61.5-105, **amend**
3 (1)(a.5); and **add** (5) and (6) as follows:

4 **22-61.5-105. Colorado teacher of the year fund - created -**
5 **legislative declaration - repeal.**

6 (1) (a.5) In addition to any ~~moneys~~ MONEY credited to the fund
7 pursuant to ~~paragraph (a) of this subsection~~ (1) SUBSECTION (1)(a) OF THIS
8 SECTION, beginning in the 2014-15 budget year and in each budget year
9 thereafter THROUGH THE 2025-26 BUDGET YEAR, the state treasurer shall
10 annually transfer from the state education fund created in section 17 (4)
11 of article IX of the state constitution to the fund twenty-four thousand
12 eight hundred dollars.

13 (5) (a) ON JULY 1, 2026, THE STATE TREASURER SHALL TRANSFER
14 ALL UNEXPENDED AND UNENCUMBERED MONEY IN THE FUND THAT DOES
15 NOT ORIGINATE FROM GIFTS, GRANTS, AND DONATIONS CREDITED TO THE
16 FUND PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION TO THE STATE
17 EDUCATION FUND.

18 (b) THE STATE TREASURER SHALL TRANSFER ALL UNEXPENDED

1 AND UNENCUMBERED MONEY IN THE FUND ON AUGUST 31, 2027, TO THE
2 STATE EDUCATION FUND.

3 (6) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2027.

4 **SECTION 2.** In Colorado Revised Statutes, 22-61.5-104, **add (4)**
5 as follows:

6 **22-61.5-104. Colorado teacher of the year program - created**
7 **- administration - funding - legislative declaration - rules.**

8 (4) (a) THE GENERAL ASSEMBLY MAY ANNUALLY APPROPRIATE
9 MONEY FROM THE STATE EDUCATION FUND CREATED IN SECTION 17(4) OF
10 ARTICLE IX OF THE STATE CONSTITUTION FOR THE PROGRAM.

11 (b) THE GENERAL ASSEMBLY DECLARES THAT, FOR PURPOSES OF
12 SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION, THE COLORADO
13 TEACHER OF THE YEAR PROGRAM IS AN IMPORTANT ELEMENT IN
14 PROVIDING PERFORMANCE INCENTIVES FOR TEACHERS AND MAY
15 THEREFORE RECEIVE FUNDING FROM THE STATE EDUCATION FUND
16 CREATED IN SECTION 17(4) OF ARTICLE IX OF THE STATE CONSTITUTION.

17 **SECTION 3.** In Colorado Revised Statutes, 22-7-1210, **amend**
18 (1) introductory portion and (1)(d)(I); and **add** (8) and (9) as follows:

19 **22-7-1210. Early literacy fund - created - legislative**
20 **declaration - repeal.**

21 (1) The early literacy fund is ~~hereby~~ created in the state treasury
22 and is referred to in this section as the "fund". The fund ~~shall consist~~
23 CONSISTS of:

24 (d) (I) For the 2013-14 budget year, an amount equal to sixteen
25 million dollars from the state education fund, and for the 2014-15 budget
26 year, and each budget year thereafter THROUGH THE 2025-26 BUDGET
27 YEAR, an amount equal to thirty-four million dollars from the state

1 education fund. On July 1, 2013, and on July 1 each year thereafter
2 THROUGH JULY 1, 2025, the state treasurer shall transfer the appropriate
3 amount from the state education fund to the early literacy fund.

4 (8) (a) ON JULY 1, 2026, THE STATE TREASURER SHALL TRANSFER
5 ALL UNEXPENDED AND UNENCUMBERED MONEY IN THE FUND TO THE
6 STATE EDUCATION FUND; EXCEPT THAT THE STATE TREASURER SHALL NOT
7 TRANSFER THE MONEY IN THE FUND THAT REMAINS AVAILABLE FOR
8 EXPENDITURE THROUGH THE 2026-27 STATE FISCAL YEAR FOR THE
9 DEPARTMENT'S "COLORADO READ ACT" TARGETED TRAINING INITIATIVE
10 THAT PROVIDES LITERACY EDUCATION TRAINING FOR TEACHERS, READING
11 INTERVENTIONISTS, PRINCIPALS, AND ADMINISTRATORS.

12 (b) THE STATE TREASURER SHALL TRANSFER ALL UNEXPENDED
13 AND UNENCUMBERED MONEY IN THE FUND ON AUGUST 31, 2027, TO THE
14 STATE EDUCATION FUND.

15 (9) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2027.

16 **SECTION 4.** In Colorado Revised Statutes, **add 22-7-1215 as**
17 **follows:**

18 **22-7-1215. Funding for part - state education fund - legislative**
19 **declaration.**

20 (1) THE GENERAL ASSEMBLY MAY ANNUALLY APPROPRIATE
21 MONEY FROM THE STATE EDUCATION FUND CREATED IN SECTION 17(4) OF
22 ARTICLE IX OF THE STATE CONSTITUTION FOR THE FOLLOWING PURPOSES:

23 (a) TO IMPLEMENT THE PUBLIC INFORMATION CAMPAIGN TO
24 PROMOTE READING DESCRIBED IN SECTION 22-7-1209 (7);

25 (b) TO CONTRACT WITH AND PAY THE DIRECT COSTS INCURRED IN
26 OVERSEEING AN INDEPENDENT EVALUATOR AS PROVIDED IN SECTION
27 22-7-1209 (8);

1 (c) TO IMPLEMENT THE EARLY LITERACY GRANT PROGRAM
2 CREATED IN SECTION 22-7-1211;

3 (d) TO ALLOCATE PER-PUPIL INTERVENTION MONEY TO LOCAL
4 EDUCATION PROVIDERS AS PROVIDED IN SECTION 22-7-1210.5; AND

5 (e) TO PAY THE COSTS INCURRED IN PROVIDING TO LOCAL
6 EDUCATION PROVIDERS TECHNICAL ASSISTANCE IN IMPLEMENTING THIS
7 PART 12, TRAINING TO TEACH READING FOR TEACHERS EMPLOYED TO
8 TEACH KINDERGARTEN THROUGH THIRD GRADE AND FOR READING
9 INTERVENTIONISTS EMPLOYED TO TEACH FOURTH GRADE THROUGH
10 TWELFTH GRADE, AND TRAINING FOR PRINCIPALS AND ADMINISTRATORS
11 PURSUANT TO SECTION 22-7-1208 (6.5); MONITORING THE USE OF MONEY
12 RECEIVED AS PER-PUPIL INTERVENTION MONEY OR GRANTS THROUGH THE
13 EARLY LITERACY GRANT PROGRAM; AND FULFILLING THE ADMINISTRATIVE
14 REQUIREMENTS SPECIFIED IN THIS PART 12.

1 **SECTION 5.** In Colorado Revised Statutes, 24-90-121, **add** (4)

2 as follows:

3 **24-90-121. Public libraries - science of reading - training -**
4 **report - legislative declaration - definitions.**

5 (4) (a) THE GENERAL ASSEMBLY MAY ANNUALLY APPROPRIATE
6 MONEY FROM THE STATE EDUCATION FUND CREATED IN SECTION 17(4) OF
7 ARTICLE IX OF THE STATE CONSTITUTION FOR THE TRAINING FOR
8 LIBRARIANS, AS DESCRIBED IN THIS SECTION.

9 (b) THE GENERAL ASSEMBLY DECLARES THAT, FOR THE PURPOSES
10 OF SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION, THE TRAINING
11 FOR LIBRARIANS DESCRIBED IN THIS SECTION IS IN FURTHERANCE OF
12 PROVIDING STUDENTS ENROLLED IN KINDERGARTEN, FIRST, SECOND, OR
13 THIRD GRADE WITH THE INSTRUCTIONAL PROGRAMMING, INTERVENTION
14 INSTRUCTION, AND SUPPORT DESCRIBED IN THE "COLORADO READ ACT",
15 PART 12 OF ARTICLE 7 OF TITLE 22, WHICH IS A PROGRAM FOR
16 ACCOUNTABLE EDUCATION REFORM, AND MAY THEREFORE RECEIVE
17 FUNDING FROM THE STATE EDUCATION FUND CREATED IN SECTION 17(4)
18 OF ARTICLE IX OF THE STATE CONSTITUTION.

19 **SECTION 6.** In Colorado Revised Statutes, 22-7-1211, **amend**
20 (3) introductory portion as follows:

21 **22-7-1211. Early literacy grant program - created -**
22 **definitions.**

23 (3) Based on the recommendations of the department, the state
24 board shall award grants to applying local education providers or groups
25 of local education providers, which grants are paid from money in the
26 early literacy fund created in section 22-7-1210 OR FROM MONEY
27 APPROPRIATED PURSUANT TO SECTION 22-7-1215 FOR THE EARLY

1 LITERACY GRANT PROGRAM. Of the money allocated OR APPROPRIATED
2 for the early literacy grant program, ~~pursuant to section 22-7-1210 (4)~~, the
3 state board shall annually:

4 **SECTION 7. Safety clause.** The general assembly finds,
5 determines, and declares that this act is necessary for the immediate
6 preservation of the public peace, health, or safety or for appropriations for
7 the support and maintenance of the departments of the state and state
8 institutions.



Memorandum

To: Joint Budget Committee Members
From: Craig Harper, JBC Staff (303-866-3481)
Date: February 3, 2026
Subject: Potential Supplemental Package Bill LLS 26-0264 – Modifying Interim Supplemental Process

Under current law, the controller may allow an overexpenditure of an existing appropriation if the overexpenditure is necessary due to an unforeseen circumstance that has already occurred when the overexpenditure is requested of the Joint Budget Committee. This is generally known as a “1331” or “interim supplemental.” As part of the interim supplemental discussions associated with the October 2025 federal government shutdown, the Committee authorized drafting of the attached bill (LLS 26-0264) to allow for the approval of overexpenditures of state funds in anticipation of the specific unforeseen circumstance of a likely federal government shutdown.

The attached bill makes two significant changes to the interim supplemental statute in Sec. 24-75-111, C.R.S:

- Allows the Joint Budget Committee to authorize an overexpenditure for the current year when the Committee determines that a lapse in federal appropriation is “reasonably likely to occur while the General Assembly is not meeting in regular or special session...”
- Allows the subsequent supplemental appropriation bill to align with either the amount approved by the Committee or some portion thereof if new information is available. So, for example, if a department provided updated information indicating that actual usage was or would be less than the initially authorized overexpenditure, then the introduced supplemental bill could align with usage rather than having to align with the entire initial authorization.

In short, the attached bill would allow the Committee to authorize interim supplementals in anticipation of a lapse in federal funding and to introduce the associated supplemental bill with an appropriation reflecting updated information if the actual need is lower than originally approved.

The attached version includes a safety clause.

The draft also includes two drafting questions on page 2.

If approved, the Committee could introduce the bill with the supplemental package in order to get the process moving. However, the bill only impacts the interim – and there is not a pressing need to introduce it now.

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

DRAFT
1/21/26

DRAFT

LLS NO. 26-0264.01 Pierce Lively x2059

COMMITTEE BILL

Joint Budget Committee

BILL TOPIC: Expenditures in Excess of Appropriations

A BILL FOR AN ACT

101 **CONCERNING THE CONTROLLER'S ALLOWANCE OF EXPENDITURES IN**
102 **EXCESS OF APPROPRIATIONS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Joint Budget Committee. Under current law, the controller may allow any department, institution, or agency of the state, including any institution of higher education, to make an expenditure in excess of the amount authorized by an item of appropriation for the fiscal year if certain conditions are satisfied. One of those conditions is that the overexpenditure is necessary due to unforeseen circumstances arising

*Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words indicate deletions from existing law.*

while the general assembly is not meeting in a regular or special session. The bill modifies that condition to also include when an overexpenditure is necessary due to a lapse in a federal appropriation that the joint budget committee determines is reasonably likely to occur while the general assembly is not meeting in regular or special session during which such overexpenditure can be legislatively addressed. The bill also makes a conforming amendment to the process by which the General Assembly can remove the spending restriction that the controller attaches to an overexpenditure.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 24-75-111, **amend**
3 (1) introductory portion, (1)(b) and (5) as follows:

4 **24-75-111. Additional authority for controller to allow**
5 **expenditures in excess of appropriations - limitations -**
6 **appropriations for subsequent fiscal year restricted.**

7 (1) ~~For fiscal years commencing on or after July 1, 1997, In~~ In
8 addition to any overexpenditure allowed pursuant to section 24-75-109,
9 the controller may allow any department, institution, or agency of the
10 state, including any institution of higher education, to make an
11 expenditure in excess of the amount authorized by an item of
12 appropriation for ~~such~~ THE CURRENT fiscal year if:

13 (b) The overexpenditure is necessary due to EITHER unforeseen
14 circumstances arising while the general assembly is not meeting in regular
15 or special session during which such overexpenditure can be legislatively
16 addressed OR A LAPSE IN A FEDERAL APPROPRIATION THAT THE JOINT
17 BUDGET COMMITTEE DETERMINES IS REASONABLY LIKELY TO OCCUR
18 WHILE THE GENERAL ASSEMBLY IS NOT MEETING IN REGULAR OR SPECIAL
19 SESSION DURING WHICH SUCH OVEREXPENDITURE CAN BE LEGISLATIVELY
20 ADDRESSED; and

8 <{Would you also like for the enacting of the supplemental to end the
9 relevant overexpenditure authority, even if the supplemental that is
10 enacted is for less than the total overexpenditure?}><{Do you want the
11 entire appropriation restriction to be released, if the supplemental is
12 enacted for only the portion of an overexpenditure that a department
13 expended?}>

14 **SECTION 2. Safety clause.** The general assembly finds,
15 determines, and declares that this act is necessary for the immediate
16 preservation of the public peace, health, or safety or for appropriations for
17 the support and maintenance of the departments of the state and state
18 institutions.