



Memorandum

To: Joint Budget Committee Members
From: Kelly Shen, JBC Staff (303-866-5434)
Date: March 11, 2026
Subject: Combined ARPA Bill – Requesting Drafting Permission

JBC staff requests permission to begin drafting a combined ARPA clean-up bill that includes both transfers and other technical adjustments to ARPA-related programs and funds.

During the supplemental and figure setting process, the JBC approved drafting a number of transfers from ARPA-related cash funds to the General Fund. These could have fit within the combined transfer bill. Recently, JBC staff have determined that there may be additional staff-recommended ARPA changes that would make sense to add to a separate, combined ARPA bill. Decisions on individual changes will be brought to you through the figure setting and comeback process, but staff is requesting permission now to at least start a bill draft that will combine existing ARPA changes.

Amanda Bickel will be coordinating the proposed joint ARPA bill.



Memorandum

To: Joint Budget Committee Members
From: Kelly Shen, JBC Staff (303-866-5434)
Date: March 11, 2026
Subject: JBC Potential Legislation Packet 4

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

- Approve for introduction in the House as a JBC bill LLS 25-XXXX;
- When the bill should be run (with the Long Bill package or otherwise);
- Prime sponsors and co-sponsors; and
- Grant staff permission to make technical changes.

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".

Potential Legislation

Human Services

Memo: Mental Health Transitional Living Homes – Requesting Drafting Permission (Pope)P-1

Military and Veterans Affairs

LLS 25-0898 CO National Guard Tuition Waiver Funding (Catlett)P-2

Personnel

LLS 25-0892 Repeal Bond Assistance Program (Bova)P-8

Transportation

LLS 25-0849 Retail Delivery Fee Revenue Allocation (Bova)P-12



Memorandum

To: Joint Budget Committee
From: Emily Pope, JBC Staff (303-866-4961)
Date: March 11, 2026
Subject: Mental Health Transitional Living Home Potential Legislation – Requesting Drafting Permission

The Committee discussed challenges with Mental Health Transitional Living Homes during Figure Setting for the Office of Civil and Forensic Mental Health in the Department of Human Services (CDHS). Primarily, Medicaid funding for Level II state-operated homes is being counted as cash funds rather than reappropriated funds because funding received by CDHS from RAEs rather than HCPF.

At the time, an option had not been identified to change the financing of the homes that did not impact access to services and was also defensible to legal and accounting staff. Staff has continued to work with the Office of Legislative Legal Services (OLLS) and the Executive Branch to identify a legislative option that prevents service impacts by specifying the accounting of these funds.

Staff recommends that the Committee sponsor legislation to specify that funds expended by HCPF and received by CDHS, regardless of whether funds pass through a RAE, shall not be included in state fiscal year funding using an approach similar to Section 29-1-1301, C.R.S. This section currently includes the following language:

“(1) For purposes of section 20 of article X of the state constitution:

(a) Any federal funds that a local government receives, regardless of whether such federal funds pass through the state prior to receipt by the local government, shall not be included in the local government’s calculation of its fiscal year spending; and

(b) Any grant of federal funds that an enterprise receives, regardless of whether such federal funds pass through the state or any local government prior to receipt by the enterprise, shall not be included in the enterprise’s calculation of the percentage of annual revenues in grants from the state and local governments in Colorado combined.”

The change is intended to narrowly address Medicaid funding received by CDHS, but include Medicaid funding received by the RAEs for both mental health transitional living homes and the state hospitals. Staff recommends keeping the language and bill title as narrow as possible.



Memorandum

To: Joint Budget Committee Members
 From: Jon Catlett, JBC Staff (303-866-4386)
 Date: March 11, 2026
 Subject: Colorado National Guard Tuition Waiver

During Figure Setting for the Department of Military and Veterans Affairs, the Committee moved to draft a bill to modify the funding mechanism for the Colorado National Guard (CONG) tuition waiver. Under the current interpretation of statute, the State of Colorado effectively funds 100 percent of tuition costs for eligible CONG members. This bill draft would shift the current funding for the tuition waiver to a cost sharing model which:

- The State would fund 50 percent of tuition costs for qualified CONG members attending state institutions of higher education.
- Participating institutions of higher education (IHEs) would absorb the remaining 50 percent.

The JBC had questions about details of the tuition application numbers presented. Below are updates addressing a breakout of denials by reason. Note that no CONG service member was denied for both the fall and spring semesters, and the Department stated they make an effort to avoid this.

Colorado National Guard Tuition Waiver Metrics FY 2025-26

Category	Fall 2025	Spring 2026	FY 25-26 Total
Total Applications	269	260	529
Approved Apps	219	208	427
Total Denied Apps	50	52	102
<i>denied due to enrollment caps</i>	33	23	56
<i>denied due to missing docs</i>	13	15	28
<i>denied due to eligibility</i>	3	9	12
<i>denied due to standing</i>	1	4	5
Funding Approved	\$1,259,990	\$1,195,648	\$2,455,637
Funding Denied	\$413,758	\$395,337	\$809,095
Total Demand	\$1,673,748	\$1,590,985	\$3,264,733

Under this legislation, the current \$1.77 million appropriation would support about 574 students, doubling program capacity, removing enrollment caps, and covering FY 26–27 projected demand. The tuition waiver would continue to depend on available appropriations, in line with the existing program and previous tuition assistance structure. The Department may set funding priorities if demand exceeds resources, and any necessary adjustments to appropriations would be addressed through the annual budget process to accommodate tuition increases and higher utilization.

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3/5/26

DRAFT

LLS NO. 26-0898.01 Ken Fowler x2372

COMMITTEE BILL

Joint Budget Committee

BILL TOPIC: CO Natl Guard Tuition Waiver Funding
DEADLINES: File by: 3/13/2026

A BILL FOR AN ACT

101 **CONCERNING CHANGING THE FUNDING MECHANISM FOR THE**
102 **COLORADO NATIONAL GUARD TUITION WAIVER PROGRAM.**

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. In current law, a person who is a member of the Colorado National Guard who is accepted for enrollment at a designated institution of higher education (member) has all their tuition costs waived. All tuition waiver costs are currently funded by the state from money in the Colorado National Guard tuition fund.

The bill changes the funding mechanism of the Colorado National

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

Guard tuition waiver program by requiring each designated institution of higher education to waive the remaining balance of a member's tuition cost in excess of the amount of any private, state, or federal financial assistance received. The bill requires the department of military and veterans affairs to reimburse each institution for 50% of the cost of tuition waived by the institution and requires the general assembly to appropriate money to the Colorado National Guard tuition fund to cover the reimbursement.

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

2 **SECTION 1.** In Colorado Revised Statutes, 23-7.4-302, **amend**
3 (3)(a), (3)(b), and (7) as follows:

4 **23-7.4-302. Tuition waiver for members of the National Guard**
5 **- rules - fund - legislative declaration - definitions - repeal.**

6 (3) (a) ~~Subject to annual appropriations, a person who is a~~
7 ~~member of the Colorado National Guard, upon being accepted for~~
8 ~~enrollment at a designated institution of higher education, may pursue~~
9 ~~studies that lead to a postgraduate degree, a bachelor's degree, an~~
10 ~~associate degree, or a certificate of completion. with all tuition waived.~~

11 EACH DESIGNATED INSTITUTION OF HIGHER EDUCATION SHALL, FOR A
12 MEMBER WHO IS ACCEPTED FOR ENROLLMENT, WAIVE THE REMAINING
13 BALANCE OF TUITION COST IN EXCESS OF THE AMOUNT OF ANY PRIVATE,
14 STATE, OR FEDERAL FINANCIAL ASSISTANCE RECEIVED BY THE MEMBER.

15 For a member, the tuition waiver must not exceed more than sixty-five
16 credit hours at a designated two-year institution of higher education and
17 no more than one hundred thirty credit hours at a designated four-year
18 institution of higher education; except that the total credit hours for a
19 member who attends both a designated two-year and a designated
20 four-year institution of higher education must not exceed more than one
21 hundred forty-five credit hours. The department of military and veterans

1 affairs shall administer the tuition waiver program.

2 (b) (I) To prevent hardship to a designated institution of higher
3 education, ~~if there is a significant increase in the member enrollment in~~
4 ~~the tuition waiver program, the number of members attending with a~~
5 ~~tuition waiver must not exceed the greater of:~~ THE DEPARTMENT OF
6 MILITARY AND VETERANS AFFAIRS SHALL REIMBURSE A DESIGNATED
7 INSTITUTION OF HIGHER EDUCATION FOR FIFTY PERCENT OF THE COST OF
8 MEMBERS' TUITION THAT IS WAIVED BY THE INSTITUTION PURSUANT TO
9 THIS SECTION. THE GENERAL ASSEMBLY SHALL APPROPRIATE MONEY TO
10 THE COLORADO NATIONAL GUARD TUITION FUND, CREATED IN
11 SUBSECTION (9) OF THIS SECTION, TO COVER FIFTY PERCENT OF THE COST
12 OF TUITION WAIVED AT EACH DESIGNATED INSTITUTION OF HIGHER
13 EDUCATION PURSUANT TO THIS SECTION.

14 ~~(A) A twenty-five percent increase in member enrollment in a~~
15 ~~designated institution of higher education compared to the member~~
16 ~~calculation described in subsection (3)(b)(II) of this section; or~~

17 ~~(B) More than five additional members enrolled in a designated~~
18 ~~institution of higher education compared to the member calculation~~
19 ~~described in subsection (3)(b)(II) of this section.~~

20 (II) ~~For each designated institution of higher education, the~~
21 ~~department of military and veterans affairs shall determine the base~~
22 ~~member enrollment described in subsection (3)(b)(I)(A) or (3)(b)(I)(B)~~
23 ~~of this section by calculating the average fall semester member~~
24 ~~enrollment at the designated institution of higher education for the~~
25 ~~previous three fall semesters. The department of military and veterans~~
26 ~~affairs, in consultation with designated institutions of higher education,~~
27 ~~shall adopt rules to determine how to select members to participate in the~~

1 tuition waiver program if a significant increase in member enrollment in
2 the tuition waiver program occurs pursuant to subsection (3)(b)(I) of this
3 section.

4 (III) ~~The department of military and veterans affairs shall~~
5 ~~determine community college member enrollment caps for each~~
6 ~~community college. The department of military and veterans affairs shall~~
7 ~~provide funds to the state board of community colleges and occupational~~
8 ~~education for tuition waivers. The state board of community colleges and~~
9 ~~occupational education shall distribute the funds to each community~~
10 ~~college in which a member is enrolled.~~

11 (IV) (A) The department of military and veterans affairs may
12 request adjustments to the annual appropriation based on changes to
13 Colorado National Guard member enrollment and changes to the cost of
14 tuition.

15 (B) ~~If the difference between the calculated tuition for base~~
16 ~~member enrollment, as described in subsection (3)(b)(II) of this section,~~
17 ~~and the annual appropriation is less than twenty-five percent, the~~
18 ~~department of military and veterans affairs may prorate funding and~~
19 ~~distribute funds to each designated institution of higher education~~
20 ~~proportionately.~~

21 (C) ~~If the difference between the calculated tuition for base~~
22 ~~member enrollment, as described in subsection (3)(b)(II) of this section,~~
23 ~~and the annual appropriation is more than twenty-five percent, the tuition~~
24 ~~waiver program is suspended and the designated institutions of higher~~
25 ~~education shall distribute the remaining tuition waiver funds on a~~
26 ~~first-come, first-serve basis to members until the tuition waiver funds are~~
27 ~~exhausted.~~

1 (7) The department of military and veterans affairs shall adopt
2 rules to certify member eligibility at the request of a designated institution
3 of higher education, to communicate member eligibility to the designated
4 institution of higher education, and to administer the tuition waiver
5 program pursuant to this section, INCLUDING A PROCESS TO REIMBURSE A
6 DESIGNATED INSTITUTION OF HIGHER EDUCATION FOR FIFTY PERCENT OF
7 THE COST OF TUITION WAIVED BY THE INSTITUTION.

8 **SECTION 2. Act subject to petition - effective date.** This act
9 takes effect at 12:01 a.m. on the day following the expiration of the
10 ninety-day period after final adjournment of the general assembly (August
11 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a
12 referendum petition is filed pursuant to section 1 (3) of article V of the
13 state constitution against this act or an item, section, or part of this act
14 within such period, then the act, item, section, or part will not take effect
15 unless approved by the people at the general election to be held in
16 November 2026 and, in such case, will take effect on the date of the
17 official declaration of the vote thereon by the governor.



Memorandum

To: Joint Budget Committee Members
From: Giulia Bova, JBC Staff (303-866-4955)
Date: March 3, 2026
Subject: Legislation to transfer Bond Assistance Program cash fund balance to General Fund

This memo accompanies draft legislation (LLS26-0892) to transfer the full unencumbered fund balance from the Bond Assistance Program Cash Fund to the General Fund, and to repeal the bond assistance program and cash fund. This includes an updated recommendation from JBC staff based on new information related to the State Procurement Equity Program.

Recommendation

Staff recommends the JBC sponsor legislation to transfer the full unencumbered balance (\$1,867,954 as of November 2025) from the Bond Assistance Program Cash Fund to the General Fund for budget balancing purposes. This represents \$242,954 more than staff's original recommended transfer of \$1,625,000.

Background

During JBC staff's figure setting presentation for the Department of Personnel, the JBC approved staff recommendation to transfer \$1,625,000 from the Bond Assistance Program Cash Fund to the General Fund. The Committee requested to eliminate the Bond Assistance Program from statute, but maintain the help desk in the State Procurement Equity Program, which provides solicitation assistance to small and diverse businesses.

In staff's original analysis, staff believed that leaving a balance of \$242,954 in the cash fund was appropriate to support operating expenses and personal services for the help desk housed within the State Procurement Equity program in the Department. Staff now believes that the Committee can transfer the full balance of the Bond Assistance Program Cash Fund (\$1,867,954) and eliminate the bond assistance program from statute without impacting the help desk operations that supports historically underutilized businesses in state procurement.

Analysis

The bond assistance program is a subset of the State Procurement Equity program, and the State Procurement Equity Program is tasked with the following responsibilities, *independent of the bond assistance program* (outlined in Section 24-103-11-4, C.R.S.):

- Reduce disparities between the availability of historically underutilized businesses and the utilization of such businesses in state procurement;
- **Provide solicitation assistance through a help desk;**
- Track usage of solicitation assistance; and
- Follow up with recipients of solicitation to determine to what extent the help desk supported them in being awarded state contracts.

The State Procurement Equity Program has received General Fund appropriations since it was created by Senate Bill 22-163. The appropriation to this line item supports 5.0 FTE in the Department, whose responsibilities include the help desk. The table below shows appropriations to the program since it was created:

Fiscal Year	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27 (requested)
Appropriation (General Fund)	\$931,521	\$833,694	\$849,992	\$605,175	\$440,734 [1]
FTE	4.6	5.0	5.0	5.0	5.0

[1] Includes an ongoing reduction of \$175,000 (requested by Department), less \$10,559 for step plan and salary survey.

Additional background and analysis

Fund purpose: Senate Bill 22-163 established the Procurement Equity Program in the Department, which is required to work with stakeholders towards the goal of reducing disparities between the availability of historically underutilized businesses and the utilization of such businesses in state procurement.

Other duties include:

- Providing solicitation assistance through a help desk;
- Creating a bond assistance program to offset a small business’ cost in obtaining a surety bond;
- Implementing or pursuing recommendations that arose from the state disparity study report commissioned by Senate Bill 19-135 that can be accomplished within existing appropriations; and
- Reporting on the programs’ preliminary implementation during the Department’s SMART Act hearing.

S.B. 22-163 created the Bond Assistance Program Cash Fund and transferred \$2.0 million to the fund, which is continuously appropriated to the department to administer the bond assistance program.

Recent expenditures: The tables below show the cash flow summary of the fund, and the expenditure details.

Bond Assistance Program Cash Flow Summary

	FY 2023-24	FY 2024-25	FY 2025-26 (Appropriated)	FY 2026-27 (Requested)
Beginning balance	\$2,001,164	\$2,011,050	\$1,954,887	\$1,898,724
Revenue	74,715	69,984	69,984	63,884
Expenditures	-64,829	-126,147	-126,147	-128,614
Ending balance	\$2,011,050	\$1,954,887	\$1,898,724	\$1,833,994

Bond Assistance Program Expenditure Detail

	FY 2023-24	FY 2024-25	FY 2025-26 (Appropriated)	FY 2026-27 (Requested)
Fund balance	\$2,001,164	\$2,011,050	\$1,954,887	\$1,898,724
Personal services	0	-58,675	-118,003	-121,064
Operating expenses	-7,550	-6,154	-8,144	-7,550
Issued bonds	0	0	-94,125	0
Interest earned	\$8,714	\$74,715	\$69,984	\$63,884

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LLS NO. 26-0892.01 Sam Anderson x4218

COMMITTEE BILL

Joint Budget Committee

BILL TOPIC: Repeal Bond Assistance Program
DEADLINES: File by: 3/11/2026

A BILL FOR AN ACT

101 **CONCERNING THE REPEAL OF THE BOND ASSISTANCE PROGRAM**
102 **ADMINISTERED BY THE DEPARTMENT OF PERSONNEL, AND, IN**
103 **CONNECTION THEREWITH, TRANSFERRING THE BALANCE OF THE**
104 **BOND ASSISTANCE PROGRAM CASH FUND TO THE GENERAL 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. Under existing law, the department of personnel administers the "state procurement equity program", which includes a bond assistance program to help historically underutilized

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Dashes through the words indicate deletions from existing law.*

businesses that are small businesses offset the costs of obtaining a surety bond that is required for a solicitation for a state procurement opportunity. The bond assistance program is funded through the bond assistance program cash fund.

The bill transfers the balance of the bond assistance program cash fund to the general fund on June 30, 2026, and repeals the bond assistance program, effective July 1, 2026.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-103-1104, **amend**
3 (2)(b)(III); and **add** (2)(b)(IV) as follows:

4 **24-103-1104. State procurement equity program - established**
5 **- goal - preliminary implementation maximization of contracting**
6 **opportunities - expansion of historically underutilized business**
7 **registry - real-time solicitation assistance help desk - bond assistance**
8 **program - cash fund - report.**

9 (2) As implementation of the program, the department shall:

10 (b) (III) (A) On July 1, 2022, the state treasurer shall transfer two
11 million dollars from the general fund to the bond assistance program cash
12 fund.

13 (B) ON JUNE 30, 2026, THE STATE TREASURER SHALL TRANSFER
14 THE UNEXPENDED AND UNENCUMBERED BALANCE OF THE BOND
15 ASSISTANCE PROGRAM CASH FUND TO THE GENERAL FUND.

16 (IV) THIS SUBSECTION (2)(b) IS REPEALED, EFFECTIVE JULY 1,
17 2026.

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

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LLS NO. 26-0849.01 Sam Anderson x4218

COMMITTEE BILL

Joint Budget Committee

BILL TOPIC: Retail Delivery Fee Revenue Allocation
DEADLINES: File by: 3/20/2026

A BILL FOR AN ACT

101 **CONCERNING THE ALLOCATION OF RETAIL DELIVERY FEE REVENUE**
102 **CREDITED TO THE MULTIMODAL TRANSPORTATION AND**
103 **MITIGATION OPTIONS 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. Under existing law, 28.9% of the revenue the state collects from the retail delivery fee is credited to the multimodal transportation and mitigation options fund (fund). Of the money from the retail delivery fee that is credited to the fund, currently 85% is allocated to the commission for local multimodal projects and

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15% is allocated to the commission for state multimodal projects. Beginning on July 1, 2026, the bill adjusts the allocation to 70% to the commission for local multimodal projects and 30% to the commission for state multimodal projects.

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

2 **SECTION 1.** In Colorado Revised Statutes, 43-4-1103, **amend**
3 (2)(a)(I) introductory portion and (2)(c); and **add** (2)(a)(I.5) as follows:

4 **43-4-1103. Multimodal transportation and mitigation options**
5 **fund - creation - revenue sources for fund - report - repeal.**

6 (2) (a) (I) Except as otherwise provided in subsection (2)(d) of
7 this section, subject to annual appropriation by the general assembly,
8 PRIOR TO JULY 1, 2026, money must be expended from the fund as
9 follows:

10 (I.5) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (2)(d) OF
11 THIS SECTION, SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL
12 ASSEMBLY, BEGINNING JULY 1, 2026, MONEY MUST BE EXPENDED FROM
13 THE FUND AS FOLLOWS:

14 (A) SEVENTY PERCENT TO THE COMMISSION FOR LOCAL
15 MULTIMODAL PROJECTS; AND

16 (B) THIRTY PERCENT TO THE COMMISSION FOR STATE
17 MULTIMODAL PROJECTS THAT ARE SELECTED BY THE COMMISSION.

18 (c) With respect to the distributions of money for local multimodal
19 projects required by subsection (2)(a)(I)(A) OR (2)(a)(I.5)(A) of this
20 section, the commission shall establish a formula for disbursement of the
21 amount allocated for local multimodal projects, based on population and
22 transit ridership and other criteria developed in consultation with the
23 transportation advisory committee created in section 43-1-1104, the

1 transit and rail advisory committee of the department, the state
2 transportation advisory committee of the department, transit advocacy
3 organizations, and bicycle and pedestrian advocacy organizations.
4 Recipients shall provide a match equal to the amount of the award; except
5 that the commission may create a formula for reducing or exempting the
6 match requirement for local governments or agencies due to their size or
7 any other special circumstances and may also, if recommended by
8 department staff, reduce or exempt any individual recipient from the
9 match requirement for a specific project.

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