



## Joint Budget Committee Staff

Nonpartisan Budget Analysis for Colorado's Legislature

# Budget Package & Long Bill Narrative Fiscal Year 2026-27

### Joint Budget Committee

Representative Emily Sirota, Chair  
Representative Kyle Brown  
Representative Rick Taggart

Senator Jeff Bridges, Vice Chair  
Senator Judy Amabile  
Senator Barbara Kirkmeyer



# Joint Budget Committee Members and Staff

## Joint Budget Committee Members

### Representatives

Emily Sirota, Chair

Kyle Brown

Rick Taggart

### Senators

Jeff Bridges, Vice Chair

Judy Amabile

Barbara Kirkmeyer

## Joint Budget Committee Staff

### Office Administration

Craig Harper, Staff Director

Jessie Neuberg, Administrator IV

Sara Shahzad, Administrative Assistant II

### Chief Legislative Budget and Policy Analysts

Amanda Bickel, Tom Dermody, Alfredo Kemm, Eric Kurtz

### Principal Legislative Budget and Policy Analysts

Justin Brakke, Emily Pope, Scott Thompson, Andrea Uhl

### Senior Legislative Budget and Policy Analysts

Jon Catlett, Andrew McLeer, Kelly Shen

### Legislative Budget and Policy Analysts

Giulia Bova, Phoebe Canagarajah, Michelle Curry, Sam Rickman

### Legislative Budget and Policy Assistant

Tucker Sanford

Legislative Services Building

200 East 14th Avenue, 3rd Floor

Denver, CO 80203

JBC Main: 303-866-2061

<http://leg.colorado.gov/content/budget>

<https://content.leg.colorado.gov/agencies/joint-budget-committee/staff-assignments>

The Long Bill Narrative Summarizes the Long Bill Package  
**As Introduced**  
and Does Not Reflect Final Action.

# Contents

## Overview of this Publication

### Section 1 Budget Package Overview

Budget Package Overview .....	4
-------------------------------	---

### Section 2 H.B. 26-1410 (Long Bill)

Long Bill Narrative – H.B. 26-1410 .....	14
Agriculture .....	16
Corrections.....	19
Early Childhood .....	25
Education .....	30
Governor .....	39
Health Care Policy and Financing.....	43
Higher Education.....	57
Human Services.....	62
Judicial Department .....	72
Labor and Employment.....	79
Law .....	82
Legislative.....	85
Local Affairs.....	87
Military and Veterans Affairs .....	91
Natural Resources.....	94
Personnel .....	98
Public Health and Environment .....	104
Public Safety.....	109
Regulatory Agencies.....	115
Revenue .....	118
State.....	122
Transportation .....	125
Treasury .....	128
Capital Construction.....	131
Information Technology Capital Projects.....	135

### Section 3 Legislation Included in the Budget Package

Corrections.....	139
H.B. 26-1348: Changes to Broadband Infrastructure Cash Fund .....	139
Early Childhood .....	140

H.B. 26-1349: Funding for Prevention Services Programs CDEC.....	140
Education .....	142
H.B. 26-1350: Appropriations to Legacy School Food Programs.....	142
H.B. 26-1351: Healthy School Meals for All State Education Fund .....	144
H.B. 26-1352: Reducing Frequency of READ Act Independent Evaluations.....	146
H.B. 26-1353: Student State Assessment in Social Studies .....	147
H.B. 26-1354: Repeal Science Teacher Professional Development Program.....	148
H.B. 26-1355: Reduce Appropriation Out-of-School Time Grant Program .....	149
H.B. 26-1356: Repeal Local Accountability System .....	150
H.B. 26-1357: Phase-out of Teacher Recruitment Education Program.....	151
H.B. 26-1358: Reduce Academic Accelerator Grant Program Appropriation .....	153
H.B. 26-1359: Credit State Public School Fund from Natural Resources .....	155
Governor .....	157
H.B. 26-1360: Affordable Housing Financing Fund .....	157
H.B. 26-1361: Pay for Success Program Repeal.....	158
House Bill 26-1362: Repeal Decarbonization Tax Credits Administration Fund .....	159
Health Care Policy and Financing.....	160
H.B. 26-1365: Repeal Medicaid Reimbursement for Equine Therapy .....	160
H.B. 26-1366: Denver Health Federal Funds for Physician Services.....	161
H.B. 26-1367: COVID Increased Medicaid Match to General Fund.....	162
H.B. 26-1411: Changes to Cover All Coloradans Program.....	163
H.B. 26-1412: HCPF Statistical Sampling & Extrapolation .....	167
Higher Education.....	168
H.B. 26-1368: Eliminate Limited Gaming Fund Transfer .....	168
H.B. 26-1369: Repeal of Contract for Online Platform Use.....	170
H.B. 26-1370: Limited Gaming Fund Transfers to Other Cash Funds.....	171
H.B. 26-1371: Adding Repeal Dates for Certain Higher Education Programs .....	172
H.B. 26-1372 Appropriations to Auraria Higher Education Center .....	173
Human Services.....	174
H.B. 26-1373: Subsidy Limits in Assistance Programs for Children .....	174
H.B. 26-1374: Kinship Care Funding Provisions.....	176
H.B. 26-1375: Repeal County Administration Funding Model .....	177
H.B. 26-1376: Federal Adoption Money Cash Fund .....	178
H.B. 26-1377: Managed Care Entity Payments .....	179
H.B. 26-1378: Repeal Behavioral Health Resources.....	180
Judicial.....	183
H.B. 26-1379: Fix Incorrect Citation Judicial Stabilization Fund .....	183
H.B. 26-1380: Repeal Office of Judicial Discipline Ombudsman .....	184
H.B.26-1381: Eliminate Cash Balance Requirement in Judicial Cash Fund .....	185
Labor and Employment.....	186
H.B. 26-1382: Support of Coloradans with Disabilities .....	186
H.B. 26-1383: Repeal Employment Support Job Retention Program.....	188
H.B. 26-1384: Direct Transfers for CDLE School-to-Work Programs .....	189

Local Affairs.....	190
H.B. 26-1385: Public Defender and Prosecutor Behavioral Health Program .....	190
Military and Veterans Affairs .....	191
H.B. 26-1386: CO National Guard Tuition Waiver Funding .....	191
Natural Resources.....	192
H.B. 26-1387: Severance Tax Fund Expenditures.....	192
Personnel .....	194
H.B. 26-1388: Repeal Bond Assistance Program Fund Transfer.....	194
Public Health and Environment .....	195
H.B. 26-1389: Comprehensive Human Sexuality Education Grant Appropriation.....	195
H.B. 26-1390: Health Disparities and Community Grant Evaluation.....	196
H.B. 26-1391: Safe Drinking Water in Child Care Centers and Schools.....	197
H.B. 26-1392: Digital Trunked Radio System Support.....	198
Public Safety.....	199
H.B. 26-1393: Maximum Reserve Requirement for Certain Cash Funds .....	199
H.B. 26-1394: Change Motorcycle Operator Fund to Annual Appropriation.....	200
H.B. 26-1395: Repeal Wildfire Resilient Homes Grant Program .....	201
H.B. 26-1396: Disaster Emergency Fund Changes.....	202
H.B. 26-1397: Multiple Employer Health Trust Funding .....	203
Transportation .....	204
H.B. 26-1398: Retail Delivery Fee Revenue Allocation.....	204
H.B. 26-1399: Eliminate General Fund Transfer to Multimodal Transportation Fund.....	206
Treasury .....	207
H.B. 26-1400: Adjust PERA's Allocations to Trust Funds.....	207
H.B. 26-1401: Transfers from Unclaimed Property Trust Fund.....	209
Capital Construction.....	210
H.B. 26-1402: Transfer to Capital Construction Fund .....	210
Information Technology Capital Projects.....	211
H.B. 26-1403: Information Technology Depreciation Lease Payments.....	211
Statewide .....	213
H.B. 26-1363: Temporarily Reduce the General Fund Reserve.....	213
H.B. 26-1364: 2025 Consumer Price Index Calculation .....	214
H.B. 26-1404: Transfer Tobacco Education Programs Fund to Preschool Programs Fund .....	215
H.B. 26-1405: Cash Fund Transfers to General Fund .....	216
H.B. 26-1406: Repeal Capital Construction Funding Requirements.....	218
H.B. 26-1407: State Money Used to Refinance American Rescue Plan Money .....	219
H.B. 26-1408: Processes to Determine State Budget Requests .....	222
H.B. 26-1409: Marijuana Tax Cash Fund Distributions.....	224

**Section 4 Pending Legislation Included for Balancing (Non-Package)**

Multiple Departments.....	226
S.B. 26-149 (Pathways for Individuals with Mental Health Disorders) .....	226
Applied Behavior Analysis Licensing.....	226
County administration shared services and regionalization .....	226

S.B. 26-042 (Revenue Reclassification Taxpayer Bill of Rights) .....	226
TABOR Over-Refund Correction .....	226
Corrections.....	227
Potential Prison Capacity Supplemental .....	227
Human Services.....	228
Competency Services .....	228
Health Care Policy and Financing.....	229
Medicaid Working Group .....	229
Adult Dental Cap.....	229
Legislature.....	230
H.B. 26-1331 (Modify 2026 Interim Committees).....	230

**Section 5 Appendices**

Appendix A – Summary of Long Bill Sections.....	232
Appendix B – Common Policies .....	233
Appendix C – Highway Users Tax Fund Off-the-top.....	240

# Overview of this Publication

Joint Budget Committee (JBC) staff prepare this publication for the purpose of describing the JBC’s budget proposal for the next state fiscal year, which begins July 1, 2026. The JBC’s budget proposal is the culmination of five months of analyses, consultation, and deliberation.

The budget proposal includes the following:

- The annual general appropriation bill, which is referred to as the “Long Bill” and includes most appropriations for the expenses of the executive, legislative, and judicial departments based on current law;
- Several JBC-sponsored bills that make statutory changes related to the budget proposal and are introduced as part of a package of bills with the Long Bill; and
- Assumptions concerning the budget impacts of other legislation that has been or will be considered by the General Assembly.

This publication is organized into five sections:

## Section 1 – Budget Package Overview

This section describes the JBC budget deliberation process and provides a high-level overview of the JBC budget proposal that focuses on general tax revenues.

## Section 2 – Long Bill Narrative – H.B. 26-1410

This section focuses on the portion of the budget proposal that is reflected in the Long Bill, with a subsection for each department that describes the proposed incremental changes from the state fiscal year that began July 1, 2025 (FY 2025-26) to the state fiscal year that begins July 1, 2026 (FY 2026-27).

Department	Long Bill Page Number	Long Bill Narrative Page Number
Agriculture	10	16
Corrections	26	19
Early Childhood	56	25
Education	68	30
Governor	107	39
Health Care Policy and Financing	125	43
Higher Education	153	57
Human Services	187	62
Judicial	254	72
Labor and Employment	286	79
Law	307	82
Legislative	320	85
Local Affairs	322	87
Military and Veteran Affairs	346	91

Department	Long Bill Page Number	Long Bill Narrative Page Number
Natural Resources	354	94
Personnel	379	98
Public Health and Environment	402	104
Public Safety	460	109
Regulatory Agencies	496	115
Revenue	510	118
State	531	122
Transportation	537	125
Treasury	543	128
Capital Construction	556	131
Information Technology Projects	579	135

## Section 3 – Legislation Included in the Budget Package

This section summarizes each of the 65 budget package bills outside of the Long Bill.

## Section 4 – Pending Legislation Included for Balancing

This section includes a summary of assumptions that are included in the budget proposal related to other bills that have been or will be considered by the General Assembly, but are not in the Long Bill.

## Section 5 – Appendices

This section includes appendices that provide reference material related to the following topics:

- the organization of the Long Bill by section;
- descriptions of common policies that have been applied to calculate certain types of appropriations; and
- a summary of appropriations from the Highway Users Tax Fund to the Colorado State Patrol.

# **Section 1**

## **Budget Package Overview**

# Budget Package Overview

On October 31, 2025, the Governor submitted his budget request for FY 2026-27. The Governor’s annual request includes several elements:

- Amounts requested by Executive Branch agencies for ongoing operations, to be appropriated through the annual general appropriation act (the “Long Bill”)
- Placeholders for assumptions regarding appropriations for the ongoing operations of the Legislative Branch, the Judicial Branch, and those Executive Branch agencies that operate under another elected official
- Amounts the Governor is requesting to fund state facilities and infrastructure
- Amounts that will be distributed or transferred pursuant to existing constitutional or statutory requirements
- Placeholders for amounts that the Governor proposes including in separate legislation

Each of the Judicial Branch agencies, the Attorney General, the Secretary of State, and the State Treasurer all submit their own budget requests for the ongoing operations of their respective agencies. The Governor’s Office of State Planning and Budgeting (OSPB) does not review these requests. The actual requests typically differ from the placeholder assumptions in the Governor’s request.

In January 2026, the Governor, Judicial Branch agencies, and independent elected officials submitted amendments to their initial budget requests for FY 2026-27. The Governor based his amended request on the December 2025 revenue forecast prepared by OSPB.

## JBC Staff Briefings and Agency Budget Hearings

The Joint Budget Committee (JBC, Committee) began meeting on November 12, 2025, to review the FY 2026-27 budget requests. For two months, the Committee heard presentations from JBC Staff detailing the budget requests and held a hearing with each Executive and Judicial agency to discuss their budget and policy priorities.

## JBC Meetings with Committees of Reference

During the first month of the 2026 legislative session, the JBC met with each committee of reference as required by Joint Rule 25(d) to discuss budget requests submitted by those agencies over which each committee has oversight. The JBC asked for input concerning the budget requests.

## Crafting the FY 2026-27 Budget Proposal

On February 2, 2026, the JBC met to hear public testimony concerning the FY 2026-27 state budget. From February 4 through March 16, the Committee reviewed every agency’s budget request and voted on appropriations to include in the FY 2026-27 Long Bill. The Committee also established common policies related to state employee salaries and benefits and rates paid to community-based service providers. The JBC requested a number of bill drafts from the Office of Legislative Legal Services for budget actions that require a statutory

change. Only those bill drafts that were unanimously approved by the JBC are included in the Budget Package as JBC-sponsored bills.

On March 19, 2026, the Legislative Council Staff (LCS) and OSPB presented their quarterly economic and revenue forecasts. On March 20, the JBC selected the March 2026 OSPB revenue forecast as the basis for its FY 2026-27 Budget Package. The JBC continued to meet through April 2 to consider additional actions to finalize the balanced budget proposal for the General Assembly. This publication summarizes that proposal.

## Overview of JBC Budget Package

The FY 2026-27 Budget Package includes a total of 65 bills, including the Long Bill (H.B. 26-1410) and 64 other bills (H.B. 26-1348 through 1412). The package also includes assumptions related to a number of other bills to be introduced separately. The Long Bill includes the operating appropriations for all state agencies *under current law*, while the other bills assumed in the package change statute to align with the budget package and bring the budget for both years into balance. House Bill 26-1363 (Temporarily Reduce General Fund Reserve) reduces the statutory General Fund reserve requirement from 15.0 percent to 13.0 percent for FY 2025-26 and FY 2026-27. The budget package balances to that revised reserve requirement.

In terms of General Fund impact, the other bills in the budget package fall into several basic categories:

- *Appropriations Changes:* Fourteen of the bills moving with the budget package change General Fund appropriations for FY 2026-27. Those bills result in a \$0.2 million net increase in General Fund appropriations in FY 2026-27.
- *Transfers to the General Fund:* The package includes sixteen bills that make transfers or diversions from a variety of cash funds to the General Fund. In total, those bills transfer \$398.0 million to the General Fund in FY 2025-26 and \$102.5 million in FY 2026-27.
- *Transfers from the General Fund:* The package includes three bills that impact transfers *from* the General Fund in FY 2026-27. House Bill 26-1402 (Transfer to Capital Construction Fund) transfers \$135.4 million for capital construction and information technology capital projects. House Bill 26-1399 (Eliminate General Fund Transfer to Multimodal Transportation Fund) eliminates an annual transfer of \$10.5 million from the General Fund to the Multimodal Transportation and Mitigation Options Fund. House Bill 26-1406 (Repeal Capital Construction Funding Requirements) reduces transfers related to capital construction at the National Western Complex by \$2.5 million per year.
- *Changes Impacting the TABOR Refund Obligation:* The package includes seven bills that impact the State's TABOR refund obligation for FY 2026-27. Combined, these bills reduce the refund obligation by an estimated \$110.7 million.

In addition to the package bills outlined above, the budget package incorporates balancing assumptions related to a variety of bills and topics outside of the package (see the end of Section 4 of this document for a summary of placeholders). Including the package bills as well as the balancing assumptions for other legislation, the Budget Package balances the General Fund budget while meeting the proposed 13.0 percent statutory reserve requirement for FY 2025-26 and FY 2026-27 under the March 2026 OSPB revenue forecast.

# Appropriation Adjustments for FY 2025-26

General Fund appropriations for FY 2025-26 currently total \$17.1 billion. Sections 5 through 15 of the 2026 Long Bill (H.B. 26-1410) amend several existing appropriations, increasing FY 2025-26 General Fund appropriations by a total of \$73.0 million. The largest driver is an increase of \$68.0 million in the Department of Health Care Policy and Financing associated with updated forecasts of Medicaid costs. Table 1 details the recommended mid-year adjustments affecting six departments.

**Table 1: Changes to FY 2025-26 General Fund Appropriations in the FY 2026-27 Long Bill**

Department	Current Appropriation after Supplementals	Approved Changes for Long Bill	Approved Appropriation	Percentage Change
Agriculture	\$20,389,589	\$0	\$20,389,589	0.0%
Corrections	1,115,073,827	6,335,739	1,121,409,566	0.6%
Early Childhood	310,734,489	-1,000,000	309,734,489	-0.3%
Education	4,669,716,019	0	4,669,716,019	0.0%
Governor	53,327,927	0	53,327,927	0.0%
Health Care Policy and Financing	5,684,210,687	67,977,325	5,752,188,012	1.2%
Higher Education	1,672,859,536	80,000	1,672,939,536	0.0%
Human Services	1,332,685,386	0	1,332,685,386	0.0%
Judicial	891,784,092	0	891,784,092	0.0%
Labor and Employment	34,703,020	0	34,703,020	0.0%
Law	28,687,723	0	28,687,723	0.0%
Legislature	78,183,856	0	78,183,856	0.0%
Local Affairs	61,754,783	213,449	61,968,232	0.3%
Military and Veterans Affairs	18,146,948	0	18,146,948	0.0%
Natural Resources	56,275,838	0	56,275,838	0.0%
Personnel	34,957,032	-651,279	34,305,753	-1.9%
Public Health and Environment	138,790,726	0	138,790,726	0.0%
Public Safety	273,599,432	0	273,599,432	0.0%
Regulatory Agencies	\$3,753,059	0	3,753,059	0.0%
Revenue	154,318,686	0	154,318,686	0.0%
State	4,254	0	4,254	0.0%
Transportation	0	0	0	n/a
Treasury	468,201,918	0	468,201,918	0.0%
<b>Total</b>	<b>\$17,102,158,827</b>	<b>\$72,955,234</b>	<b>\$17,175,114,061</b>	<b>0.4%</b>

In addition to the Long Bill adjustments, H.B. 26-1411 (Changes to Cover All Coloradans Program) reduces appropriations to the Department of Health Care Policy and Financing by \$0.1 million for FY 2025-26. The Budget package also includes an increase of \$9.6 million in General Fund appropriations for S.B. 26-149 (Pathways for Individuals with Mental Health Disorder).

## Long Bill Appropriations for FY 2026-27

Table 2 compares operating appropriations for FY 2025-26 and FY 2026-27. The figures for FY 2026-27 include the recommended Long Bill appropriations plus the General Fund appropriations in the introduced version of the annual legislative appropriation bill (H.B. 26-1333). Table 2 does not include appropriations in any of the

“companion” bills in the Long Bill Package. Shading in the table highlights departments with changes of more than \$5.0 million from the FY 2025-26 appropriation.

The Long Bill decreases appropriations for 13 departments relative to FY 2025-26. However, total General Fund appropriations increase by \$212.1 million (1.2 percent), with the largest increase for Medicaid costs in the Department of Health Care Policy and Financing.

**Table 2: FY 2026-27 General Fund Operating Appropriations (Long Bill and Legislative Appropriation Bill)**

Department	FY 2025-26 Including Recommended Adjustments	Dollar Change	FY 2026-27 Long Bill and Legislative Appropriation Bill Placeholder	Percentage Change
Agriculture	\$20,389,589	-\$1,949,243	\$18,440,346	-9.6%
Corrections	1,121,409,566	68,908,499	1,190,318,065	6.1%
Early Childhood	309,734,489	-922,905	308,811,584	-0.3%
Education	4,669,716,019	-82,155,337	4,587,560,682	-1.8%
Governor	53,327,927	1,122,535	54,450,462	2.1%
Health Care Policy and Financing	5,752,188,012	212,977,876	5,965,165,888	3.7%
Higher Education	1,672,939,536	-6,376,059	1,666,563,477	-0.4%
Human Services	1,332,685,386	-11,127,408	1,321,557,978	-0.8%
Judicial	891,784,092	30,910,892	922,694,984	3.5%
Labor and Employment	34,703,020	-2,672,424	32,030,596	-7.7%
Law	28,687,723	3,341,845	32,029,568	11.6%
Legislature	78,183,856	4,752,697	82,936,553	6.1%
Local Affairs	61,968,232	-1,897,604	60,070,628	-3.1%
Military and Veterans Affairs	18,146,948	-605,652	17,541,296	-3.3%
Natural Resources	56,275,838	2,640,125	58,915,963	4.7%
Personnel	34,305,753	5,869	34,311,622	0.0%
Public Health and Environment	138,790,726	-6,772,974	132,017,752	-4.9%
Public Safety	273,599,432	-5,625,258	267,974,174	-2.1%
Regulatory Agencies	3,753,059	-724,597	3,028,462	-19.3%
Revenue	154,318,686	-5,834,646	148,484,040	-3.8%
State	4,254	-4,254	0	-100.0%
Transportation	0	0	0	n/a
Treasury	468,201,918	14,102,932	482,304,850	3.0%
<b>Total</b>	<b>\$17,175,114,061</b>	<b>\$212,094,909</b>	<b>\$17,387,208,970</b>	<b>1.2%</b>

## Long Bill Package and the Revenue Forecast

The following tables show the General Fund budget for FY 2025-26 and FY 2026-27 in the context of the March OSPB forecast. Table 3 shows the projected status of the General Fund reserve in FY 2025-26 and FY 2026-27 based on the March OSPB forecast, current FY 2025-26 appropriations, and the changes to revenues and obligations included or assumed in the Long Bill Package for both FY 2025-26 and FY 2026-27.

- For FY 2025-26, the projections show the General Fund reserve ending FY 2025-26 with a balance \$100.9 million above the proposed 13.0 percent reserve requirement (or \$234.7 million below the current 15.0 percent requirement).
- For FY 2026-27, the projections show an ending balance \$0.6 million above the proposed 13.0 percent reserve requirement (or \$340.1 million below the current 15.0 percent requirement).

**Table 3: Status of the General Fund Reserve (March 2026 OSPB Forecast, \$ in millions)**

Line	Item	FY 2024-25 Actual	Long Bill Package	
			FY 2025-26	FY 2026-27
1	Total General Fund Available (Table 4)	\$20,854.7	\$20,033.2	\$20,311.0
2	Less: Total General Fund Obligations (Table 6)	18,446.3	18,292.0	18,637.0
3	Year-end Reserve in General Fund	\$2,408.4	\$1,741.2	\$1,674.1
4	Plus: Year-end Reserve in PERA (SB 25-310)	0.0	500.0	500.0
5	Total Year-end Reserve	\$2,408.4	\$2,241.2	\$2,174.1
6	Statutorily Required Reserve Percent	15.0%	13.0%	13.0%
7	Required Reserve Amount	\$2,358.5	\$2,140.3	\$2,173.4
8	Year-end Reserve Above/(Below) Requirement	\$49.9	\$100.9	\$0.6

The following subsections provide additional detail on the major components of Table 3.

## Available General Fund

Table 4 shows the total General Fund available each year after accounting for the changes included in the Long Bill Package. The Long Bill Package includes legislation transferring or diverting an additional \$398.1 million into the General Fund in FY 2025-26 and \$105.0 million in FY 2026-27.

**Table 4: General Fund Available (March 2026 OSPB Forecast, \$ in millions)**

Line	Item	FY 2024-25 Actual	March OSPB Forecast	
			FY 2025-26	FY 2026-27
1	Beginning Reserve Held in the General Fund	\$3,153.5	\$2,408.4	\$1,741.2
2	Gross General Fund Revenue (March Forecast)	17,181.3	17,003.6	18,434.1
3	Transfers from Other Funds (March Forecast)	519.9	223.2	33.3
4	Approved Transfers to the General Fund (Tables 5A and 5B)	0.0	398.1	105.0
5	Total General Fund Available	\$20,854.7	\$20,033.2	\$20,313.5

Tables 5A and 5B break out the transfers and diversions included or assumed in the budget package that are making additional General Fund available. Table 5A shows the transfers to the General Fund included in H.B. 26-1405 (Cash Fund Transfers to General Fund). This bill transfers \$100.5 million to the General Fund in FY 2025-26 and \$86.2 million in FY 2026-27.

**Table 5A: Transfers to the General Fund included in H.B. 26-1405 (\$ in millions)**

Line	Source	FY 2025-26	FY 2026-27
1	Local Affairs - Local Government Severance Tax Fund	\$19.4	\$27.3
2	OEDIT CLIMBER Fund	15.0	0.0
3	OIT Revolving Fund	11.0	10.0
4	OIT Technology Risk Prevention and Response	10.0	0.0
5	Higher Ed CollegeInvest Master Account	9.2	0.0
6	Natural Resources Severance Tax Operational fund	7.3	11.2
7	Personnel - Supplier Database Cash Fund	5.4	0.0
8	Public Health - School and Child Care Drinking Water	5.3	0.0
9	Public Health - Community Impact Cash Fund	5.2	5.0
10	Public Health - Mobile Home Park Water Quality Fund	3.0	0.0
11	Controlled Maintenance Trust Fund	2.0	0.0
12	Labor - Scale-up Grant Program	1.1	0.0
13	Personnel - Supplemental State Contribution Fund	1.0	0.0

Line	Source	FY 2025-26	FY 2026-27
14	Public Safety - Identification unit cash fund	1.0	0.0
15	Public Safety - Indirect costs excess recovery	1.0	0.0
16	Personnel - Unused State-owned Real Property Fund	0.8	0.0
17	Labor - Qualified Apprenticeship Intermediary Grant	0.8	0.0
18	Human Services - Records and Reports Fund	0.8	0.0
19	Labor - Uninsured employer fund	0.5	0.0
20	Tobacco settlement defense account	0.3	0.0
21	Public Health - Fixed and Rotary Wing Ambulances	0.2	0.0
22	Labor - Workers' Compensation Immediate Payment Fund	0.2	0.0
23	State - Electronic Recording Technology Fund	0.2	0.0
24	Local Affairs - Local government backfill cash fund	0.0	0.0
25	Decarbonization Tax Credit Administration Fund	0.0	15.6
26	Governor - IJJA Cash Fund Interest	0.0	15.0
27	Public Safety - SMART Grant Program Fund	0.0	0.7
28	Public Safety - Multidisc. Crime Prevention and Crisis Intervention Grant Fund	0.0	0.4
29	Local Affairs - Peace Officers Mental Health	0.0	0.4
30	Local Affairs - Mobile Home Park Resident Empowerment Loan and Grant	0.0	0.4
31	Local Affairs - Childcare Facility Grant Fund	0.0	0.1
32	Public Safety - Law Enforcement Workforce Recruitment, Retention, and Tuition Fund	0.0	0.1
33	Total	\$100.5	\$86.2

Table 5B shows the transfers and diversions included or assumed in the budget package that require separate legislation for statutory changes. The budget package assumes that these bills will make an additional \$297.6 million available in FY 2025-26 and \$16.3 million in FY 2026-27. The budget package itself includes 14 of the 15 bills shown in Table 5B. The package also assumes \$12.0 million for a transfer from the Legislative Department Cash Fund that is included in H.B. 26-1332 (Legislative Department Cash Fund).

**Table 5B: Transfers and Diversions Requiring Separate Legislation (\$ in millions)**

Line	Bill	FY 2025-26	FY 2026-27
1	HB 26-1360 Affordable Housing Financing Fund	\$130.0	\$0.0
2	HB 26-1401 Transfers from Unclaimed Property Trust Fund	72.8	0.0
3	HB 26-1407 State money used to refinance ARPA money	35.7	0.0
4	HB 26-1382 Support of Coloradans with disabilities	21.0	0.0
5	HB 26-1406 Repeal capital construction funding requirements	15.3	0.0
6	HB 26-1332 Legislative Department Cash Fund (not part of package)	12.0	0.0
7	HB 26-1358 Reduce academic accelerator grant program	5.2	0.0
8	HB 26-1388 Repeal bond assistance program and fund transfer	1.8	0.0
9	HB 26-1361 Pay for success program repeal	1.6	0.0
10	HB 26-1367 COVID increased Medicaid match to General Fund	1.3	0.0
11	HB 26-1350 Appropriations to legacy school food programs	0.5	0.0
12	HB 26-1381 Eliminate cash balance req. in Judicial cash fund	0.4	0.0
13	HB 26-1395 Repeal wildfire resilient homes grant program	0.1	0.0
14	HB 26-1387 Severance tax expenditures	0.0	14.2
15	HB 26-1368 Eliminate limited gaming fund transfer	0.0	2.1
16	Total	\$297.6	\$16.3

## General Fund Obligations

Table 6 summarizes projected General Fund obligations for each year under the budget package and the March OSPB forecast. The subsequent tables break down specific changes included in the budget package depending

on whether the bill affects General Fund appropriations, transfers from the General Fund, or the TABOR refund obligation.

**Table 6: General Fund Obligations (\$ in millions)**

Line	Item	FY 2024-25 Actual	FY 2026-27 Long Bill Package	
			FY 2025-26	FY 2026-27
1	General Fund Appropriations	\$15,861.8	\$17,102.2	\$17,387.2
2	Current Year Adjustments Approved for Long Bill Supplementals	n/a	\$73.0	n/a
3	Appropriations in Long Bill Package Bills (Table 7A)	n/a	-0.1	0.2
4	Approved Placeholders for Other Legislation (Table 7B)	n/a	9.6	57.3
5	Less: Appropriations for Rebates and Expenditures (Forecast)	-240.0	-403.7	-408.6
6	Total Appropriations Subject to Reserve	\$15,621.8	\$16,781.0	\$17,036.1
7	General Fund Overexpenditure in FY 2024-25	68.6	n/a	n/a
8	Rebates and Expenditures (Forecast)	187.4	837.7	532.0
9	Transfers to Transportation Funds (Forecast)	117.5	42.7	61.0
10	Bill to Eliminate Transfer to Multi-modal Options Fund	n/a	0.0	-10.5
11	Transfers for Capital Construction and IT Capital (Table 8)	254.1	174.2	152.9
12	Transfers to Other Funds (Forecast)	2,030.1	456.5	448.0
13	TABOR Refund Obligation [Article X, Section 20 (7)(d)] (Forecast)	293.3	0.0	711.1
14	Items Affecting TABOR Refund (Table 9)	n/a	0.0	-293.7
15	Less: Reversions and accounting adjustments	-126.6	n/a	n/a
15	Total Expenditures/Obligations	\$18,446.3	\$18,292.0	\$18,637.0

## Appropriations in Other Bills

Tables 7A and 7B detail General Fund appropriations that are assumed in the Long Bill Package for legislation other than the Long Bill. Table 7A shows the appropriation changes in bills that are part of the Long Bill Package.

**Table 7A: General Fund Appropriation Changes in Long Bill Package Bills (\$ in millions)**

Line	Bill	FY 2025-26	FY 2026-27
1	HB 26-1401 Transfers from Unclaimed Property Trust Fund	\$0.0	\$63.5
2	HB 26-1406 Repeal capital construction funding requirements	0.0	-25.3
3	HB 26-1411 Changes to cover all Coloradans program	-0.1	-12.9
4	HB 26-1404 Transfer Tobacco Education Fund to Preschool Program Fund	0.0	-10.0
5	HB 26-1412 HCPF statistical sampling and extrapolation	0.0	-6.9
6	HB 26-1373 Subsidy limits in assistance programs for children	0.0	-2.2
7	HB 26-1378 Repeal behavioral health resources	0.0	-2.2
8	HB 26-1355 Reduce Out-of-school time grant program	0.0	-1.8
9	HB 26-1389 Comprehensive human sexuality education grant	0.0	-1.0
10	HB 26-1375 Repeal county administration funding model	0.0	-0.3
11	HB 26-1397 Multiple employer health trust funding	0.0	-0.3
12	HB 26-1383 Repeal employment support job retention program	0.0	-0.3
13	HB 26-1350 Appropriations to legacy school food programs	0.0	-0.2
14	HB 26-1365 Repeal Medicaid requirement for equine therapy	0.0	-0.2
15	Total - Long Bill Package Bills	-\$0.1	\$0.2

Table 7B shows the “placeholders” for General Fund appropriations assumed for bills outside of the Long Bill Package. The placeholders include increases of \$9.6 million for FY 2025-26 and a net increase of \$57.3 million for FY 2026-27.

**Table 7B: Placeholders for General Fund Appropriations Outside of Long Bill Package (\$ in millions)**

Line	Item	FY 2025-26	FY 2026-27
1	SB 26-149 (Pathways for Individuals with Mental Health Disorders)	\$9.6	\$23.2
2	Competency services	0.0	20.0
3	Potential prison capacity supplemental	0.0	5.9
4	Applied Behavioral Analysis Licensing	0.0	5.0
5	County Administration shared services	0.0	3.1
6	Medicaid Working Group	0.0	0.5
7	HB 26-1331 (Modify 2026 Interim Committees)	0.0	-0.4
8	Total - Placeholders for other legislation	\$9.6	\$57.3

## Transfers from the General Fund for Infrastructure

Table 8 shows the transfers from the General Fund for capital-related purposes as assumed in the Long Bill Package. House Bill 26-1402 transfers a total of \$135.4 million from the General Fund to the Capital Construction Fund for FY 2026-27, including \$132.0 million for capital construction and \$3.4 million for information technology capital projects.

**Table 8: Transfers from the General Fund for Capital-related Purposes**

Line	Item	FY 2025-26	FY 2026-27
1	Transfers to Transportation (Forecast)	\$42.7	\$61.0
2	HB 26-1399 Eliminate transfer to Multi-modal Fund	0.0	-10.5
3	HB 26-1402 Transfer to Capital Construction Fund (construction) – current law for FY 2025-26	130.0	132.0
4	HB 26-1402 Transfer to Capital Construction Fund (information technology)	24.2	3.4
5	National Western Complex (HB 15-1344/HB 26-1406)	20.0	17.5
6	Total	\$216.9	\$203.4

## Impacts to TABOR Refund Obligation

Table 9 details the items impacting the TABOR refund obligation. The March 2026 revenue forecasts do not anticipate a TABOR refund for FY 2025-26. As a result, the table only shows FY 2026-27. The FY 2026-27 TABOR surplus will be refunded in FY 2027-28.

The Long Bill Package includes six bills that impact the refund obligation for FY 2026-27. The package bills are projected to reduce the FY 2026-27 refund obligation by \$110.6 million. The package also includes placeholder assumptions for two other bills that are outside of the package (S.B. 26-042 and a not yet introduced bill accounting for an asserted TABOR over-refund from FY 2024-25). Those placeholders are assumed to reduce the obligation by an additional \$183.0 million.

**Table 9: Items Impacting the TABOR Refund Obligation**

Line	Item	FY 2026-27
1	TABOR refund (March OSPB Forecast)	\$711.1
2	TABOR Overrefund Correction (Placeholder)	-153.0
3	HB 26-1401 Transfers from Unclaimed Property Trust Fund	-63.5
4	SB 26-042 Revenue Reclass (Placeholder)	-30.0
5	HB 26-1364 2025 Consumer Price Index calculation	-19.8
6	HB 26-1382 Support of Coloradans with disabilities	-11.6

Line	Item	FY 2026-27
7	HB 26-1377 Managed care entity payments	-7.1
8	HB 26-1384 Direct transfers for CDLE school-to-work programs	-7.0
9	HCPF - Adult Dental Cap (Long Bill change)	-1.4
10	Projected remaining refund (paid in following year)	\$417.8

**Section 2**  
**H.B. 26-1410**  
**(Long Bill)**

# Long Bill Narrative – H.B. 26-1410

This Section 2 focuses on the portion of the budget proposal reflected in the Long Bill (H.B. 26-1410). The proposed Long Bill includes a total of \$49.5 billion for State operations and \$192.7 million for capital construction and information technology projects for FY 2026-27.

The operating budget includes \$2.9 billion in “reappropriated funds,” which are duplicated amounts that appear more than once within the budget. The Long Bill operating budget without duplicated amounts totals \$46.6 billion. This includes \$17.3 billion in general tax revenues that are credited to the General Fund, \$13.9 billion in various State cash fund revenues that are dedicated to certain purposes, and \$15.3 billion in anticipated federal funds.

The following tables summarize the appropriations and informational amounts that are included in the introduced Long Bill for FY 2026-27. The subsections that follow for each department include tables that detail FY 2025-26 appropriations (including any additional mid-year proposed adjustments) and proposed appropriations for FY 2026-27. The summary table for each department is followed by descriptions of each proposed funding change from FY 2025-26 to FY 2026-27.

## Summary of Proposed Long Bill (H.B. 26-1410) Appropriations for FY 2026-27

Department	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds
Agriculture	\$78,316,775	\$18,440,346	\$51,932,263	\$3,132,026	\$4,812,140
Corrections	1,274,690,076	1,190,318,065	46,538,145	37,540,954	292,912
Early Childhood	798,189,008	308,811,584	289,696,534	15,744,219	183,936,671
Education	7,865,396,771	4,587,560,682	2,371,461,010	56,340,311	850,034,768
Governor	556,895,373	54,450,462	103,346,189	391,231,557	7,867,165
Health Care Policy and Financing	20,526,664,783	5,965,165,888	2,485,541,421	158,419,014	11,917,538,460
Higher Education	6,558,633,800	1,666,563,477	3,589,127,308	1,276,301,173	26,641,842
Human Services	2,681,017,323	1,321,557,978	496,433,366	228,184,177	634,841,802
Judicial	1,206,803,312	922,694,984	219,590,845	60,092,483	4,425,000
Labor and Employment	508,076,564	32,030,596	226,151,902	24,102,834	225,791,232
Law	163,517,367	32,029,568	29,754,817	97,868,101	3,864,881
Legislature	8,953,390	8,953,390	0	0	0
Local Affairs	560,228,212	60,070,628	344,426,267	30,174,738	125,556,579
Military and Veterans Affairs	160,538,835	17,541,296	2,107,225	26,042	140,864,272
Natural Resources	495,319,300	58,915,963	379,614,435	10,611,536	46,177,366
Personnel	310,223,505	34,311,622	39,501,803	236,410,080	0
Public Health and Environment	855,726,576	132,017,752	335,905,083	65,496,375	322,307,366
Public Safety	800,876,063	267,974,174	369,446,133	93,018,105	70,437,651
Regulatory Agencies	138,058,341	3,028,462	125,540,978	7,481,175	2,007,726
Revenue	552,710,886	148,484,040	392,963,938	10,410,776	852,132
State	47,020,319	0	47,020,319	0	0
Transportation	2,299,792,546	0	1,518,420,857	1,198,498	780,173,191
Treasury	1,065,529,236	482,304,850	500,058,065	83,166,321	0
<b>Long Bill operating total</b>	<b>\$49,513,178,361</b>	<b>\$17,313,225,807</b>	<b>\$13,964,578,903</b>	<b>\$2,886,950,495</b>	<b>\$15,348,423,156</b>
Less amount exempt from statutory limit	n/a	-243,721,590	n/a	n/a	n/a
<b>General Fund total subject to statutory limit</b>	<b>n/a</b>	<b>\$17,069,504,217</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

### Capital Construction and Information Technology Project Appropriations

Item	Total Funds	Capital Construction Funds Exempt	Cash Funds	Reapprop. Funds	Federal Funds
Capital Construction	\$160,355,815	\$133,946,147	\$25,926,518	\$0	\$483,150
Information Technology Projects	32,325,503	8,001,752	17,099,031	0	7,224,720
Long Bill capital total	\$192,681,318	\$141,947,899	\$43,025,549	\$0	\$7,707,870

# Agriculture

The Colorado Department of Agriculture oversees, regulates, and supports the state’s agricultural sector through a range of administrative, conservation, animal health, and consumer protection functions. Its divisions manage areas such as environmental stewardship, livestock health and welfare, plant and food safety, market development, and producer support, while also maintaining programs like brand inspection and the State Fair. Overall, the Department’s structure is designed to align its regulatory, promotional, and operational responsibilities with the needs of Colorado agriculture.

## Department of Agriculture

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation	\$78,202,660	\$20,389,589	\$50,015,104	\$3,066,248	\$4,731,719	332.9
<b>Changes from FY 2025-26 Appropriation</b>						
Employee compensation common policies	\$992,797	\$246,303	\$654,836	-\$160	\$91,818	0.0
Pine beetle biocontrol	322,993	0	322,993	0	0	3.0
Operating common policies	181,630	-164,254	332,797	12,075	1,012	0.5
Technical adjustments	53,863	0	0	53,863	0	0.0
Use Indirect Costs Excess Recovery Fund balance	0	-390,000	390,000	0	0	0.0
Offset General Fund with AMF	0	-780,000	780,000	0	0	0.0
Severance Tax refinance	0	0	0	0	0	0.0
Prior year actions	-380,612	195,264	-563,467	0	-12,409	-0.2
Personnel cost realignment	-356,556	-356,556	0	0	0	-2.0
Reduce agrivoltaic grants	-300,000	-300,000	0	0	0	0.0
Reduce conservation grants	-200,000	-200,000	0	0	0	0.0
Reduce equine welfare grants	-200,000	-200,000	0	0	0	0.0
<b>Total FY 2026-27 Long Bill Appropriation</b>	<b>\$78,316,775</b>	<b>\$18,440,346</b>	<b>\$51,932,263</b>	<b>\$3,132,026</b>	<b>\$4,812,140</b>	<b>334.2</b>
\$ Change from prior year	\$114,115	-\$1,949,243	\$1,917,159	\$65,778	\$80,421	1.3
% Change from prior year	0.1%	-9.6%	3.8%	2.1%	1.7%	0.4%

Changes are assumed to be ongoing unless otherwise noted.

## Description of Recommended Changes

**Employee compensation common policies:** The bill includes a net increase of \$992,797 for employee compensation common policies. A common policy refers to general policies applied consistently to all departments.

### Employee compensation common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Health, life, and dental	\$708,989	\$210,507	\$433,383	\$0	\$65,099	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Health, life, and dental true-up	401,601	112,607	256,379	0	32,615	0.0
Step plan	366,931	81,071	268,507	0	17,353	0.0
PERA direct distribution	29,377	8,554	20,823	0	0	0.0
Salary survey	9,050	0	9,050	0	0	0.0
Shift differential	5,349	-605	6,083	-146	17	0.0
Vacancy savings	-449,867	-135,687	-276,029	0	-38,151	0.0
Unfunded liability amortization payments	-75,078	-28,655	-60,650	-13	14,240	0.0
Paid family and medical leave insurance	-2,927	-1,288	-2,190	-1	552	0.0
Short-term disability	-628	-201	-520	0	93	0.0
<b>Total</b>	<b>\$992,797</b>	<b>\$246,303</b>	<b>\$654,836</b>	<b>-\$160</b>	<b>\$91,818</b>	<b>0.0</b>

**Pine beetle biocontrol response:** The bill includes funding for a biocontrol effort to mitigate the spread of mountain pine beetle. This extends supplemental funding enacted by the General Assembly.

Year 1: An ongoing increase of \$322,993 from the Agricultural Management Fund and 3.0 FTE.

**Operating common policies:** The bill includes a net increase of \$181,630 for operating common policies.

#### Operating common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Legal services	\$221,750	\$53,817	\$167,933	\$0	\$0	0.0
Workers' compensation	115,228	21,032	94,196	0	0	0.0
State accounting system (CORE)	111,255	15,174	84,006	12,075	0	0.0
Office of Information Technology services	109,011	71,222	37,789	0	0	0.0
IT accessibility	101,605	0	101,605	0	0	0.5
Vehicle lease payments	21,300	10,622	10,445	0	233	0.0
AI compliance	11,108	11,108	0	0	0	0.0
State payroll system (CORE)	9,864	2,909	6,176	0	779	0.0
Digital trunked radios	3,355	2,181	1,174	0	0	0.0
Risk management & property	-322,613	-195,584	-127,029	0	0	0.0
Office of Information Technology base reduction	-90,241	-90,241	0	0	0	0.0
IT operating offset	-80,326	-51,039	-29,287	0	0	0.0
IT efficiencies	-24,323	-15,455	-8,868	0	0	0.0
Administrative law judge services	-5,343	0	-5,343	0	0	0.0
<b>Total</b>	<b>\$181,630</b>	<b>-\$164,254</b>	<b>\$332,797</b>	<b>\$12,075</b>	<b>\$1,012</b>	<b>0.5</b>

**Technical adjustments:** The bill includes a \$53,863 technical adjustment for indirect costs.

**Use Indirect Costs Excess Recovery Fund balance:** The bill includes a General Fund reduction and an offsetting cash funds increase in the Personal Services line item in the Commissioner's Office and Administrative Services Division.

Year 1: A one-time reduction of \$390,000 General Fund and an increase of \$390,000 from the Indirect Costs Excess Recovery Fund.

**Offset General Fund with Agricultural Management Fund (AMF):** The bill includes a General Fund reduction and equivalent cash funds increase in the Health, Life, and Dental line item.

- Year 1: \$0 total funds, including a reduction of \$780,000 General Fund and an increase of \$780,000 from the AMF.
- Year 2: \$0 total funds, including a reduction of \$457,000 General Fund and increase of \$457,000 from the AMF.

**Severance Tax refinance:** The bill includes a budget-neutral cash fund swap. This reduces Severance Tax appropriations by \$400,000 and increases AMF appropriations by the same amount.

**Prior year actions:** The bill includes a net decrease of \$380,612 for the impact of prior year budget decisions and legislation.

**Prior year actions**

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB 26-1150 Supplemental bill	\$90,802	\$174,814	-\$71,603	\$0	-\$12,409	-0.8
HB 24-1249 Ag stewardship tax credit	20,450	20,450	0	0	0	0.4
FY 25-26 Animal disease traceability	11,585	0	11,585	0	0	0.0
SB 25-283 Water Conservation Board projects	-500,000	0	-500,000	0	0	0.0
FY 25-26 Soil health	-3,449	0	-3,449	0	0	0.2
<b>Total</b>	<b>-\$380,612</b>	<b>\$195,264</b>	<b>-\$563,467</b>	<b>\$0</b>	<b>-\$12,409</b>	<b>-0.2</b>

**Personnel cost realignment:** The bill reduces funding to reflect personnel cost savings.

Year 1: A reduction of \$356,556 General Fund.

**Reduce agrivoltaic grants:** The bill reduces funding for agrivoltaics grants.

Year 1: A reduction of \$300,000 General Fund.

**Reduce conservation grants:** The bill reduces funding for conservation grants.

Year 1: A reduction of \$200,000 General Fund.

**Reduce equine welfare grants:** The bill reduces funding for equine welfare grants, effectively ending the program one year before its sunset date.

Year 1: A reduction of \$200,000 General Fund.

# Corrections

The Department of Corrections manages the State's prison and parole systems.

## Department of Corrections

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation	\$1,203,403,094	\$1,115,073,827	\$47,658,415	\$37,329,849	\$3,341,003	6,406.4
Long Bill supplemental	6,335,739	6,335,739	0	0	0	0.0
<b>FY 2025-26 Adjusted Appropriation</b>	<b>\$1,209,738,833</b>	<b>\$1,121,409,566</b>	<b>\$47,658,415</b>	<b>\$37,329,849</b>	<b>\$3,341,003</b>	<b>6,406.4</b>
<b>Changes from FY 2025-26 Appropriation</b>						
Medical caseload	\$27,085,541	\$27,085,541	\$0	\$0	\$0	0.0
Employee compensation common policies	21,733,460	21,483,554	249,906	0	0	0.0
Prison caseload	12,105,810	12,889,543	-783,733	0	0	59.0
Private prison per diem	11,472,155	11,472,155	0	0	0	0.0
Correctional officer shift relief factor pilot	10,936,196	10,936,196	0	0	0	138.3
Medical and mental health contract services	10,016,296	10,016,296	0	0	0	0.0
Operating common policies	6,160,664	6,276,236	265,938	-88,598	-292,912	0.0
Offender management system (EOMIS)	3,388,210	3,388,210	0	0	0	0.0
Food	3,226,306	3,226,306	0	0	0	0.0
Payments to local jails	1,872,866	1,872,866	0	0	0	0.0
State fleet garage spending	529,889	0	0	529,889	0	1.9
Laundry	74,236	74,236	0	0	0	0.0
Medication Assisted Treatment program	0	0	0	0	0	3.7
Broadband	0	0	0	0	0	1.0
Youthful Offender System line item split	0	0	0	0	0	0.0
Prior year actions	-20,648,800	-35,683,974	2,916,174	12,119,000	0	-17.1
Reduce CI spending authority	-15,898,286	0	-3,758,540	-12,139,746	0	0.0
Offset - transgender healthcare	-3,681,100	-3,681,100	0	0	0	0.0
Technical adjustments	-2,709,766	264,868	-10,015	-209,440	-2,755,179	-2.0
Offset - job skills training	-403,250	-403,250	0	0	0	0.0
Offset - drug testing	-118,124	-118,124	0	0	0	0.0
Offset - polygraph testing	-113,180	-113,180	0	0	0	0.0
Offset - volunteer program	-77,880	-77,880	0	0	0	-1.0
<b>Total FY 2026-27 Long Bill Appropriation</b>	<b>\$1,274,690,076</b>	<b>\$1,190,318,065</b>	<b>\$46,538,145</b>	<b>\$37,540,954</b>	<b>\$292,912</b>	<b>6,590.2</b>
\$ Change from prior year	\$64,951,243	\$68,908,499	-\$1,120,270	\$211,105	-\$3,048,091	183.8
% Change from prior year	5.4%	6.1%	-2.4%	0.6%	-91.2%	2.9%

Changes are assumed to be ongoing unless otherwise noted.

# Description of Recommended Changes

## FY 2025-26

**Long Bill supplemental - Unfunded PERA liability shortfall:** The bill includes an increase of \$3.9 million General Fund for *Unfunded Liability Amortization Payments*. These funds address a projected funding shortfall.

**Long Bill supplemental - Food:** The bill includes an increase of \$2.5 million General Fund for food costs. This consists of \$1.5 million to address a projected shortfall in food and related equipment funding and \$1.0 million to increase inmates' caloric intake by 100 calories per day.

## FY 2026-27

**Medical caseload:** The bill includes funding for external medical services, pharmaceuticals, and hemophilia treatment. It accounts for expected increases in the per-offender per-month (POPM) rates and the prison population.

Year 1: An increase of \$27.1 million General Fund.

### Medical caseload

Line item	Amount
External medical services	\$20,136,095
Purchase of pharmaceuticals	4,871,387
Hemophilia treatment	2,078,059
<b>Total</b>	<b>\$27,085,541</b>

**Employee compensation common policies:** The bill includes a net increase of \$18.6 million for employee compensation common policies. A common policy refers to general policies applied consistently to all departments.

### Employee compensation common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Health, life, and dental	\$7,884,906	\$7,774,978	\$109,928	\$0	\$0	0.0
Step plan	6,621,084	6,535,045	86,039	0	0	0.0
Health, life, and dental true-up	6,213,822	6,131,835	81,987	0	0	0.0
Shift differential	1,874,475	1,884,077	-9,602	0	0	0.0
Unfunded liability amortization payments	490,814	503,106	-12,292	0	0	0.0
Short-term disability	8,369	8,390	-21	0	0	0.0
Vacancy savings	-1,137,270	-1,137,270	0	0	0	0.0
PERA direct distribution	-219,485	-214,172	-5,313	0	0	0.0
Paid family and medical leave insurance	-3,255	-2,435	-820	0	0	0.0
<b>Total</b>	<b>\$21,733,460</b>	<b>\$21,483,554</b>	<b>\$249,906</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**Prison caseload:** The bill includes funding for 941 prison beds for male inmates to address projected growth in the prison population.

Year 1: A net increase of \$12.1 million and 59.0 FTE. This includes an increase of \$12.9 million General Fund and decrease of \$0.8 million cash funds. The decrease in cash funds stems from the expected loss of federal funding.

The funding supports 300 beds at Sterling, 200 beds at Buena Vista, 288 beds at Delta, and 153 private prison beds. The beds at Sterling and Buena Vista are minimum-restricted custody, the beds at Delta are minimum custody, and the private prison beds are medium custody.

**Private prison per diem:** The bill includes funding to increase the per-diem reimbursement rate for private prisons to \$77.16, followed by an increase to \$80.00 in FY 2027-28.

- Year 1: An increase of \$11.5 million General Fund.
- Year 2: An increase of \$14.5 million General Fund.

**Correctional officer shift relief factor pilot:** The bill includes funding to address elevated overtime hours and the use of non-security staff in security posts. It effectively increases the correctional officer shift relief factor from 1.6 to 1.8 at six prisons in the East Canon prison complex.

- Year 1: An increase of \$10.9 million General Fund and 138.3 FTE.
- Year 2: An increase of \$13.3 million General Fund and 150.3 FTE.

**Medical and mental health contract services:** The bill includes funding for contract clinical workers in DOC prisons.

Year 1: A one-time increase of \$10.0 million General Fund.

**Operating common policies:** The bill includes a net increase of \$6.2 million for operating common policies.

#### Operating common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Workers' compensation	\$3,287,830	\$3,213,196	\$74,634	\$0	\$0	0.0
Risk management & property	2,320,894	2,268,210	52,684	0	0	0.0
Vehicle lease payments	895,062	763,553	131,509	0	0	0.0
Office of Information Technology services	707,217	715,071	-7,854	0	0	0.0
State accounting system (CORE)	245,911	222,553	11,898	11,460	0	0.0
State payroll system (CORE)	125,198	122,456	2,742	0	0	0.0
IT accessibility	101,605	101,605	0	0	0	0.0
IT operating offset	-996,869	-975,038	-21,831	0	0	0.0
IT efficiencies	-223,353	-218,462	-4,891	0	0	0.0
Departmental indirect cost adjustment	-173,940	192,625	26,405	-100,058	-292,912	0.0
Legal services	-108,088	-108,730	642	0	0	0.0
Digital trunked radios	-20,803	-20,803	0	0	0	0.0
<b>Total</b>	<b>\$6,160,664</b>	<b>\$6,276,236</b>	<b>\$265,938</b>	<b>-\$88,598</b>	<b>-\$292,912</b>	<b>0.0</b>

**Offender management system (EOMIS):** The bill provides ongoing operating funds for the Electronic Offender Management Information System (EOMIS). EOMIS is the Department's core offender management system. It is the product an IT capital project that took \$40.0 million and over 10 years to complete.

Year 1: An increase of \$3.4 million General Fund.

**Food:** The bill includes funding to increase inmates' caloric intake by 100 calories per day, as well as general increases in food and related equipment costs.

Year 1: An increase of \$3.2 million General Fund.

**Payments to local jails:** The bill includes funding for reimbursements to local jails holding DOC inmates. The increase brings the appropriation to an amount that supports an average daily population of 330 inmates.

Year 1: An increase of \$1.9 million General Fund.

**State fleet garage spending:** The bill includes funding to address an encumbrance issue that occurs at the end of the fiscal year and restricts the Department's ability to do vehicle maintenance.

Year 1: A one-time increase of \$0.5 million reappropriated funds and 1.9 FTE. The Department of Personnel's Motor Fleet Management Fund is the source of funding.

**Laundry:** The bill includes funding to address increasing operating costs in the Department's Laundry Subprogram.

Year 1: An increase of \$0.1 million General Fund.

**Medication Assisted Treatment program:** The bill reallocates funding within the Department to support the Medication-Assisted Treatment (MAT) program with 3.7 FTE and operating expenses.

Year 1: Net-zero reallocation from the underused *Drug and Alcohol (D&A) Treatment Contract Services* line item to D&A Treatment Personal Services and medical operating expenses.

**Broadband:** The bill continues funding for a designer/planner FTE to help the Department install broadband infrastructure at DOC prisons.

Year 1: Net-zero reallocation of appropriations from the DOC Broadband Infrastructure Cash Fund.

**Youthful Offender System line item split:** The bill splits maintenance and food expenses into two distinct line items in the Department's Youthful Offender System Subprogram.

Year 1: Net-zero reallocation of funding from one line item to two line items.

**Prior year actions:** The bill includes a net decrease of \$20.6 million for the impact of prior year budget decisions and legislation.

#### Prior year actions

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SB 25-208 Inmate telephone calls	\$2,308,237	\$2,308,237	\$0	\$0	\$0	0.0
FY 25-26 Inmate pay	615,639	615,639	0	0	0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
H.B. 26-1151 DOC supplemental	-13,146,647	-29,044,881	3,758,488	12,139,746	0	-15.1
Long Bill supplemental: Unfunded PERA liability shortfall	-3,857,995	-3,857,995	0	0	0	0.0
Long Bill supplemental: Food	-2,477,744	-2,477,744	0	0	0	0.0
SB 25-212 Temporary inmate transfer	-1,829,000	-1,829,000	0	0	0	0.0
SB 25-213 Broadband infrastructure	-842,346	0	-842,346	0	0	0.0
FY 25-26 Salary survey	-754,471	-754,503	32	0	0	0.0
SB 21-138 Traumatic brain injury	-327,620	-327,620	0	0	0	-1.0
FY 25-26 Inmate legal access	-219,323	-219,323	0	0	0	0.0
HB 24-1386 DOC broadband	-76,319	-76,319	0	0	0	-1.0
SB 25-308 Medicaid services	-20,746	0	0	-20,746	0	0.0
SB 21-064 Retaliation against elected official	-18,415	-18,415	0	0	0	0.0
SB 23-039 Reduce child and parent separation	-2,050	-2,050	0	0	0	0.0
<b>Total</b>	<b>-\$20,648,800</b>	<b>-\$35,683,974</b>	<b>\$2,916,174</b>	<b>\$12,119,000</b>	<b>\$0</b>	<b>-17.1</b>

**Reduce Correctional Industries (CI) spending authority:** The bill aligns appropriations with actual expenses and recommendations in the recent evaluation of the DOC's budget practices. It is calculated to provide a 20.0% margin to allow growth of Correctional Industries' existing programs and future programmatic expansion.

Year 1: Net reduction of \$15.9 million cash and reappropriated funds.

**Offset - transgender healthcare:** The bill aligns the appropriation with recent and expected expenditures.

Year 1: A decrease of \$3.7 million General Fund.

**Technical adjustments:** The bill includes various technical adjustments, mainly to remove outdated federal and reappropriated funds.

Year 1: A net decrease of \$2.7 million, including an increase of \$0.3 million General Fund for lease payments and a decrease of \$2.8 million federal funds.

**Offset – job skills program:** The bill partially reduces funding for a three-year pilot program that will end in FY 2027-28, leaving about \$500,000.

Year 1: A decrease of \$0.4 million General Fund.

The reduction is based on the acquisition of a federal grant to supplant General Fund, eligibility challenges with the commercial driver program, and changes to certification requirements for electricians through a renewable energy jobs training program.

**Offset - drug testing:** The bill accounts for reduced drug testing in DOC prisons because randomized drug testing ended in 2022 and because some newer drugs are not detected by available testing methods.

Year 1: A decrease of \$0.1 million General Fund.

**Offset - polygraph testing:** The bill aligns funding with gradual changes to the Sex Offender Management Board's post-conviction polygraph testing requirements.

Year 1: A decrease of \$0.1 million General Fund.

**Offset - volunteer program:** The bill removes \$0.1 million General Fund for a currently unfilled position in the Volunteer Subprogram.

# Early Childhood

The Department of Early Childhood supports the care, education, and well-being of young children. It accomplishes this primarily through the Universal Preschool Program, child care support including the Colorado Child Care Assistance Program (CCCAP), Early Intervention services, home visiting programs, and provider licensing, inspection, and monitoring.

## Department of Early Childhood

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation	\$804,424,934	\$310,734,489	\$289,035,859	\$16,574,957	\$188,079,629	243.1
Long Bill add-on: EI reduction	-1,000,000	-1,000,000	0	0	0	0.0
<b>FY 2025-26 Adjusted Appropriation</b>	<b>\$803,424,934</b>	<b>\$309,734,489</b>	<b>\$289,035,859</b>	<b>\$16,574,957</b>	<b>\$188,079,629</b>	<b>243.1</b>
<b>Changes from FY 2025-26 Appropriation</b>						
Univ Preschool funding increase	\$14,011,855	\$1,609,665	\$12,402,190	\$0	\$0	0.0
Technical adjustments	1,556,493	-1,996,485	8	3,652,970	-100,000	-3.5
Employee compensation common policies	675,352	165,229	-118,024	-815,305	1,443,452	0.0
Family Resource Center approp adj	0	0	0	0	0	0.0
Early Intervention increase	-9,342,227	-5,342,227	0	-4,000,000	0	0.0
Reduce CCDF quality investments	-4,664,762	0	0	0	-4,664,762	0.0
Prior year actions	-2,606,465	8,529,986	-11,674,324	12,672	525,201	0.5
Operating common policies	-1,859,006	-1,420,793	240,000	206,095	-884,308	1.8
Child care licensing svcs decrease	-939,935	-590,224	0	112,830	-462,541	19.5
End child care SUD pilot	-500,000	-500,000	0	0	0	0.0
Reduce Child Maltreat Prevention funding	-480,000	-480,000	0	0	0	0.0
HealthySteps reduction	-314,113	-314,113	0	0	0	0.0
Local Leads budget consolidation	-294,750	-105,575	-189,175	0	0	-4.0
OEDIT workforce contract reduction	-187,800	-187,800	0	0	0	0.0
Reduce Early Child Mental Health Svcs	-134,781	-134,781	0	0	0	0.0
Reduce personal svcs and op expenses	-125,113	-125,113	0	0	0	0.0
SLDS staff reduction	-30,674	-30,674	0	0	0	-0.4
<b>Total FY 2026-27 Long Bill Appropriation</b>	<b>\$798,189,008</b>	<b>\$308,811,584</b>	<b>\$289,696,534</b>	<b>\$15,744,219</b>	<b>\$183,936,671</b>	<b>257.0</b>
\$ Change from prior year	-\$5,235,926	-\$922,905	\$660,675	-\$830,738	-\$4,142,958	13.9
% Change from prior year	-0.7%	-0.3%	0.2%	-5.0%	-2.2%	5.7%

Changes are assumed to be ongoing unless otherwise noted.

## Description of Recommended Changes

### FY 2025-26

**Long Bill add-on: Early Intervention (EI) reduction:** The bill includes a \$1.0 million General Fund reduction to Early Intervention based on updated expenditure forecasts.

## FY 2026-27

**Universal Preschool Program funding increase:** The bill includes increased funding to the Universal Preschool Program for inflationary increases and projected enrollment.

Year 1: A total increase of \$14.0 million, including \$1.6 million General Fund and \$12.4 million increased spending authority from the Preschool Programs Cash Fund.

**Technical adjustments:** The bill includes a net increase of \$1.6 million for leased space and corrections to fund sources and prior annualizations.

### Technical adjustments

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
EI General Fund reduction	\$2,000,000	-\$2,000,000	\$0	\$4,000,000	\$0	0.0
Leased space	9,500	3,515	8	5,977	0	0.0
CCCAP reappropriated fund shift	0	0	0	100,000	-100,000	0.0
SB 22-213 Remove remaining FTE	0	0	0	0	0	-3.5
Reappropriated fund correction	-453,007	0	0	-453,007	0	0.0
<b>Total</b>	<b>\$1,556,493</b>	<b>-\$1,996,485</b>	<b>\$8</b>	<b>\$3,652,970</b>	<b>-\$100,000</b>	<b>-3.5</b>

**Employee compensation common policies:** The bill includes a net increase of \$0.7 million for employee compensation common policies. A common policy refers to general policies applied consistently to all departments.

### Employee compensation common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Health, life, and dental	\$979,110	\$376,373	\$8,829	-\$438,804	\$1,032,712	0.0
Step plan	165,911	53,852	37,563	12,719	61,777	0.0
PERA direct distribution	22,577	427	-6,905	-55,272	84,327	0.0
Vacancy savings	-416,429	-180,419	-81,449	-43,634	-110,927	0.0
Unfunded liability amortization payments	-71,992	-80,737	-72,291	-274,240	355,276	0.0
Paid family and medical leave insurance	-3,240	-3,633	-3,253	-12,341	15,987	0.0
Short-term disability	-504	-565	-506	-3,733	4,300	0.0
Shift differential	-81	-69	-12	0	0	0.0
<b>Total</b>	<b>\$675,352</b>	<b>\$165,229</b>	<b>-\$118,024</b>	<b>-\$815,305</b>	<b>\$1,443,452</b>	<b>0.0</b>

**Family Resource Center appropriation adjustment:** The bill includes a budget-neutral technical adjustment to move funding for Family Resource Centers into one line item.

**Early Intervention increase:** The bill includes funding adjustments for Early Intervention to align with caseload and expenditure forecasts.

Year 1: Reduction of \$9.3 million, including \$5.3 million General Fund and \$4.0 million reappropriated funds.

The General Fund impact includes an ongoing reallocation of \$2.0 million General Fund from the Department of Health Care Policy and Financing to the Early Intervention line item.

**Reduce Child Care and Development Fund (CCDF) quality investments:** The bill reduces federal Child Care and Development Fund (CCDF) appropriations for certain quality initiatives to address a funding cliff. It also provides funding to support workforce training and retention.

Year 1: Reduction of \$4.7 million federal funds from the CCDF.

**FY 2026-27 CCDF Reductions**

Item	Amount
Teacher Salary Grant Program	-\$2,928,167
Colorado Shines School Readiness Quality Improvement Program	-1,621,595
Workforce Recruitment and Retention Grants	-75,000
Consumer Education and Outreach	-40,000
Teacher Education Compensation Helps Early Childhood (TEACH) Scholarships	75,000
Apprenticeships	100,000
Professional Development Information System (PDIS)	-175,000
<b>Total</b>	<b>-\$4,664,762</b>

**Prior year actions:** The bill includes a net decrease of \$2.6 million for the impact of prior year budget decisions and legislation.

**Prior year actions**

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 25-26 LB add-on R2 EI increase	\$1,000,000	\$1,000,000	\$0	\$0	\$0	0.0
HB 24-1223 Improved access child care	66,880	66,880	0	0	0	0.1
SB 21-217 Market rate study child care	55,000	55,000	0	0	0	0.0
FY 24-25 R2 Dept core operations	23,702	23,702	0	0	0	0.0
HB 24-1364 Edu-based workforce readiness	23,186	23,186	0	0	0	0.4
FY 25-26 BA2 UPK program	-1,721,570	0	-1,721,570	0	0	0.0
HB 26-1152 EAR supplemental	-1,683,354	7,691,218	-9,951,963	32,431	544,960	0.0
SB 21-137 Behavioral health recovery	-280,000	-280,000	0	0	0	0.0
HB 24-1045 Treat substance use disorders	-50,000	-50,000	0	0	0	0.0
FY 25-26 R6 Cost allocation plan	-40,309	0	-791	-19,759	-19,759	0.0
<b>Total</b>	<b>-\$2,606,465</b>	<b>\$8,529,986</b>	<b>-\$11,674,324</b>	<b>\$12,672</b>	<b>\$525,201</b>	<b>0.5</b>

**Operating common policies:** The bill includes a net decrease of \$1.9 million for operating common policies.

**Operating common policies**

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Workers' compensation	\$509,920	\$509,920	\$0	\$0	\$0	0.0
IT accessibility	157,887	157,887	0	0	0	0.9
AI compliance	133,760	133,760	0	0	0	0.9
Risk management & property	70,002	70,002	0	0	0	0.0
State accounting system (CORE)	63,137	63,137	0	0	0	0.0
Office of Information Technology services	32,756	-209,401	0	242,157	0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Legal services	10,361	10,361	0	0	0	0.0
Administrative law judge services	7,510	7,510	0	0	0	0.0
State payroll system (CORE)	5,954	5,954	0	0	0	0.0
Office of Information Technology base reduction	-2,000,000	-2,000,000	0	0	0	0.0
Statewide indirect cost adjustment	-644,308	0	240,000	0	-884,308	0.0
IT efficiencies	-167,061	-137,678	0	-29,383	0	0.0
IT operating offset	-37,976	-31,297	0	-6,679	0	0.0
Vehicle lease payments	-948	-948	0	0	0	0.0
<b>Total</b>	<b>-\$1,859,006</b>	<b>-\$1,420,793</b>	<b>\$240,000</b>	<b>\$206,095</b>	<b>-\$884,308</b>	<b>1.8</b>

**Child care licensing services decrease:** The bill includes a net decrease of funding and an increase in FTE as the Department eliminates some of its child care provider licensing contracts and moves those functions in-house.

Year 1: Reduction of \$0.9 million total funds, including \$0.6 million General Fund and \$0.5 million federal funds from the Child Care and Development Fund. Increase of \$0.1 reappropriated funds and 19.5 FTE.

**End Child Care Services and Substance Use Disorder Treatment Pilot:** The bill eliminates appropriations for the Child Care Services and Substance Use Disorder Treatment Pilot program.

Year 1: Reduction of \$500,000 General Fund.

**Reduce Child Maltreatment Prevention funding:** The bill reduces funding to Family Resource Centers provided in the Child Maltreatment Prevention line item.

Year 1: Reduction of \$480,000 General Fund.

**HealthySteps reduction:** The bill reduces funding to the HealthySteps program by 50.0% and creates a new line item for remaining HealthySteps appropriations.

Year 1: Reduction of \$314,113 General Fund.

**Local Leads budget consolidation:** The bill includes a reduction in Department staff and a shift of appropriations into the Early Childhood Councils line item, to effectuate the consolidation of Local Coordinating Organizations into Early Childhood Councils.

Year 1: Net reduction of \$0.3 million funds, including \$0.1 million General Fund and \$0.2 million from the Preschool Programs Cash Fund, and 4.0 FTE.

**OEDIT workforce contract reduction:** The bill eliminates funding for an interagency agreement between the Department and the Office of Economic Development and International Trade (OEDIT) for child care business support.

Year 1: Reduction of \$187,800 General Fund.

**Reduce Early Childhood Mental Health Services:** The bill reduces funding to Early Childhood Mental Health Services by 10.0%.

Year 1: Reduction of \$134,781 General Fund.

**Reduce personal services and operating expenses:** The bill reduces General Fund for a vacant staff position, certain in-state travel expenses, and out-of-state travel expenses.

Year 1: Reduction of \$125,113 General Fund.

**Statewide Longitudinal Data System (SLDS) staff reduction:** The bill reduces appropriations for staff involved in the Department's connection with the Statewide Longitudinal Data System.

Year 1: Reduction of \$30,674 General Fund and 0.4 FTE.

# Education

The Department of Education supports the State Board of Education in its duty to exercise general supervision over public schools, including accrediting public schools and school districts. The Department distributes state and federal funds to school districts, and it administers a variety of education-related programs.

## Department of Education

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation	\$7,614,337,372	\$4,669,716,019	\$2,039,330,016	\$55,936,930	\$849,354,407	751.4
Long Bill supplemental: HSMA	-1,400,000	0	-1,400,000	0	0	0.0
<b>FY 2025-26 Adjusted Appropriation</b>	<b>\$7,612,937,372</b>	<b>\$4,669,716,019</b>	<b>\$2,037,930,016</b>	<b>\$55,936,930</b>	<b>\$849,354,407</b>	<b>751.4</b>
<b>Changes from FY 2025-26 Appropriation</b>						
State share of total program	\$206,745,824	\$0	\$206,745,824	\$0	\$0	0.0
Healthy School Meals for All	37,934,862	0	37,934,862	0	0	1.7
Categorical programs increase	15,350,133	0	15,350,133	0	0	0.0
Prior year actions	5,699,696	-6,214,037	11,913,733	0	0	-4.4
Employee compensation common policies	3,557,576	1,779,236	539,103	572,655	666,582	0.0
CSI Mill Levy Equalization	2,040,383	-3,916,033	5,956,416	0	0	0.0
Charter School Facilities Assistance	725,128	0	725,128	0	0	0.0
Indirect cost adjustments	525,469	-177,764	525,469	177,764	0	0.0
BEST assessment IT system	179,801	0	179,801	0	0	0.0
CSDB teacher salary increase	47,603	47,603	0	0	0	0.0
Operating common policies	37,719	-70,678	44,502	25,899	37,996	0.9
Teacher of the year	24,800	0	24,800	0	0	0.0
Military interstate children's compact	11,623	0	11,623	0	0	0.0
State Public School Fund revenue adjustment	0	-70,000,000	70,000,000	0	0	0.0
Early literacy adjustments	0	0	0	0	0	0.0
Facility schools baseline funding model	0	0	0	0	0	0.0
True-up BEST cash grants	-11,584,360	0	-11,584,360	0	0	0.0
Behavioral Health Care Professional Matching Grant	-3,000,000	0	-3,000,000	0	0	-1.0
School Bullying Prevention Grant	-1,000,000	-1,000,000	0	0	0	0.0
School Counselor Corps Grant	-1,000,000	0	-1,000,000	0	0	0.0
Adult Education and Literacy Grants	-1,000,000	-1,000,000	0	0	0	0.0
Legacy nutrition programs	-675,729	-113,764	-561,965	0	0	-0.4
Local Accountability Grant Program	-506,690	-506,690	0	0	0	-0.4
Administrative efficiencies and underused appropriations	-506,542	-431,542	-75,000	0	0	-1.7
Technical adjustments	-400,643	0	129,597	-535,370	5,130	-6.9
CSDB technical adjustments	-289,235	-451,668	0	162,433	0	0.0
READ Act awareness campaign	-200,000	0	-200,000	0	0	0.0
Statewide assessment program	-158,019	0	-128,672	0	-29,347	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Menstrual Hygiene Grant	-100,000	-100,000	0	0	0	-0.2
Total FY 2026-27 Long Bill Appropriation	\$7,865,396,771	\$4,587,560,682	\$2,371,461,010	\$56,340,311	\$850,034,768	739.0
\$ Change from prior year	\$252,459,399	-\$82,155,337	\$333,530,994	\$403,381	\$680,361	-12.4
% Change from prior year	3.3%	-1.7%	16.4%	0.7%	0.1%	-1.7%

Changes are assumed to be ongoing unless otherwise noted.

## Description of Recommended Changes

### FY 2025-26

**Long Bill supplemental:** The bill includes a reduction of \$1.4 million cash funds from the Healthy School Meals for All Fund to align appropriations with anticipated expenditures for school meals. It also adds a footnote allowing \$125,000 of the appropriation for General Department and Program Administration to be used through FY 2026-27 and specifies that the intent is to enable the Department to conduct analyses of online education and part-time school enrichment programs. Finally, it adjusts the share of General Fund classified as General Fund exempt.

### FY 2026-27

**State share of total program:** The bill includes an increase of \$206.7 million for the state share of districts' total program funding, including \$109.2 million from the State Education Fund and \$97.6 million from the State Public School Fund. Total program funding details are shown below.

#### FY 2026-27 School Finance Total Program Funding

Item	FY 2025-26 Adjusted Appropriation	FY 2026-27 Long Bill (Current Law)	Annual Change
Local Share	\$4,633,283,691	\$4,610,872,240	-\$22,411,451
State Share [1]	\$5,364,774,372	\$5,571,520,196	\$206,745,824
General Fund	4,388,686,861	4,388,686,861	0
Cash Funds - State Education Fund [2]	905,420,579	1,014,610,241	109,189,662
Cash Funds - State Public School Fund	70,666,932	168,223,094	97,556,162
Total Program	\$9,998,058,063	\$10,182,392,436	\$184,334,373

[1] Includes \$4,084,701 for Extended High School programs in FY 2026-27, which is calculated as part of the formula but shown in the Long Bill as a separate line item.

[2] Of this amount, an estimated \$213.3 million will be from the Kids Matter Account within the State Education Fund.

**Healthy School Meals for All:** The bill adds appropriations to fully implement the Healthy School Meals for All (HSMA) program, based on voter approval of Propositions MM and LL in November 2025.

Year 1: The increase is \$37.9 million cash funds from the Healthy School Meals for All Program Fund.

The program adds \$32.1 million to implement local school food purchasing grants, local school food purchasing technical assistance grants, and wage increases for school-based food service workers that take effect in FY 2026-27. The bill also increases funding for school meal reimbursements by \$5.7 million, providing a total of \$148.2 million for meals based on projected expenses. Finally, the bill adds \$0.8 million and 1.7 FTE for related state administration, bringing the total appropriation for administration to \$1.3 million to support 4.9 FTE, related operating and indirect costs, and a biennial audit.

**Categorical programs increase:** The bill includes an increase of \$15.4 million cash funds from the State Education Fund for categorical programs. Based on the 2.3 percent inflation rate for calendar year 2025, the State Constitution requires an increase of at least \$12.9 million. The bill includes \$2.5 million cash funds above the required increase in order to provide the statutorily required inflationary adjustment for special education programs with children with disabilities and provide increases to the other seven categorical program lines, as shown below.

**Categorical Programs Increase (State Funding Only)**

Long Bill Line Item	FY 2025-26 Appropriation	FY 2026-27 Long Bill	Change in State Funding	Percent Change
Special Education - Children with Disabilities	\$388,694,798	\$400,527,729	\$11,832,931	3.0%
English Language Proficiency Program	35,866,264	36,517,259	650,995	1.8%
Public School Transportation	72,973,821	74,781,913	1,808,092	2.5%
Career and Technical Education Programs	32,689,057	32,689,057	0	0.0%
Special Education - Gifted and Talented Children	16,793,762	17,851,877	1,058,115	6.3%
Expelled and At-risk Student Services Grant Program	9,473,039	9,473,039	0	0.0%
Small Attendance Center Aid	1,606,548	1,606,548	0	0.0%
Comprehensive Health Education	1,115,829	1,115,829	0	0.0%
<b>Total</b>	<b>\$559,213,118</b>	<b>\$574,563,251</b>	<b>\$15,350,133</b>	<b>2.7%</b>

**Prior year actions:** The bill includes a net increase of \$5.7 million for the impact of prior year budget decisions and legislation.

**Prior year actions**

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SB 25-315 Postsecondary & Workforce Readiness [1]	\$13,701,392	-\$4,910,925	\$18,612,317	\$0	\$0	0.4
SB 23-221 HSMA Program Fund	400,000	0	400,000	0	0	0.0
FY 25-26 vehicle lease supplemental	5,878	5,878	0	0	0	0.0
Reverse FY 26 MTCF Refinance	0	0	0	0	0	0.0
HB 24-1331 Out-of-School Time Grant Program	0	0	0	0	0	0.2
HB 25-1320 School Finance Act	-3,504,994	0	-3,504,994	0	0	0.0
FY 25-26 READ Act Targeted Training	-3,361,590	0	-3,361,590	0	0	-2.0
HB 26-1176 Modify 4th year innovation pilot	-386,659	-386,659	0	0	0	0
HB 25-1192 Financial Literacy Graduation Req	-210,389	-210,389	0	0	0	0.0
Facility schools work group and eval contracts	-200,000	0	-200,000	0	0	0.0
FY 25-26 Statewide Student Info System	-160,000	-160,000	0	0	0	0.0
HB 20-1032 Timing K12 Standards Review	-118,246	-118,246	0	0	0	0.0
SB 24-069 IEP Training	-91,707	-91,707	0	0	0	-0.5
HB 22-1215 Study extended high school	-89,123	-89,123	0	0	0	-0.2

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB 25-1278 Education Accountability System	-79,073	-79,073	0	0	0	-1.0
Term-limited Adams 14 accountability and improvement FTE	-56,702	-56,702	0	0	0	-0.5
HB 21-1087 Teaching and Learning Conditions Survey	-50,000	-50,000	0	0	0	0.0
FY 25-26 HSMA supplemental admin funding	-32,000	0	-32,000	0	0	0.0
SB 24-048 Substance Use Disorder Recovery	-28,516	-28,516	0	0	0	-0.3
HB 24-1216 Supports for Youth in Juvenile Justice System	-11,084	-11,084	0	0	0	-0.3
HB 25-1149 Black History and Culture Education	-9,612	-9,612	0	0	0	-0.1
SB 25-278 Epinephrine Administration in Schools	-9,379	-9,379	0	0	0	-0.1
HB 08-1384 Quality Educator Retention	-8,500	-8,500	0	0	0	0.0
<b>Total</b>	<b>\$5,699,696</b>	<b>-\$6,214,037</b>	<b>\$11,913,733</b>	<b>\$0</b>	<b>\$0</b>	<b>-4.4</b>

[1] This increase is offset by a similar decrease that is incorporated in the FY 2026-27 school finance calculation, based on repeal of the Accelerating Students Through Concurrent Enrollment (ASCENT) program.

**Employee compensation common policies:** The bill includes a net increase of \$3.6 million for employee compensation common policies. A common policy refers to general policies applied consistently to all departments.

#### Employee compensation common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Health, life, and dental	\$2,778,094	\$1,080,746	\$532,855	\$484,082	\$680,411	0.0
Step plan	1,049,411	644,700	104,066	74,274	226,371	0.0
Unfunded liability amortization payments	732,732	444,397	54,431	120,477	113,427	0.0
Paid family and medical leave insurance	32,973	19,363	3,084	5,422	5,104	0.0
Shift differential	11,412	11,412	0	0	0	0.0
PERA direct distribution	8,764	7,024	1,270	470	0	0.0
Short-term disability	5,132	2,814	680	844	794	0.0
Salary survey	197	197	0	0	0	0.0
Vacancy savings	-1,061,139	-431,417	-157,283	-112,914	-359,525	0.0
<b>Total</b>	<b>\$3,557,576</b>	<b>\$1,779,236</b>	<b>\$539,103</b>	<b>\$572,655</b>	<b>\$666,582</b>	<b>0.0</b>

**CSI Mill Levy Equalization:** The bill includes an increase to funding for Charter School Institute (CSI) Mill Levy Equalization based on current law.

Year 1: A net increase of \$2.0 million total funds, comprised of a reduction of \$3.9 million General Fund and an increase of \$6.0 million cash funds from the State Education Fund.

The bill includes total funding for CSI Mill Levy Equalization of \$56.7 million from the General Fund and State Education Fund. This program provides funding for schools authorized by CSI so that these schools have the same per pupil funding as the district schools where CSI schools are located. The calculation provides additional state support ranging from \$914 to \$4,087 per pupil at 44 schools serving an estimated 20,922 students.

**Charter School Facilities Assistance:** The bill includes a net increase for Charter School Facilities Assistance based on formulas in current law.

Year 1: A net increase of \$0.7 million cash funds.

This program provides per pupil funding for district charter schools and CSI charter schools to support facilities maintenance, rent, and capital costs. The total appropriation is \$43.0 million from the State Education Fund and the Charter School Facilities Assistance Account of the Public School Capital Construction Assistance Fund.

**Indirect cost adjustments:** The bill adds indirect cost collections from the Public School Capital Construction Assistance Fund and the Healthy School Meals for All Program Fund.

Year 1: An increase of \$0.5 million cash funds.

Indirect cost collections offset General Fund otherwise required for central administrative expenses.

**BEST assessment IT system:** The bill includes an increase for software for the Financial Assistance Priority Assessment Program (the Facility Insight system), which is used to track the condition of public school facilities statewide as part of the Building Excellent Schools Today (BEST) program.

Year 1: An increase of \$0.2 million cash funds from the Public School Capital Construction Assistance Fund (PSCCAF).

The increase is based on the results of a software re-procurement process. The FY 2026-27 appropriation for Financial Assistance Priority Assessment is \$329,801 cash funds from the PSCCAF.

**CSDB teacher salary increase:** The bill includes an increase to align Colorado School for the Deaf and the Blind (CSDB) teacher and educational specialist salaries with the Colorado Springs District 11 salary schedule.

Year 1: An increase of \$47,603 General Fund.

**Operating common policies:** The bill provides a net increase of \$37,719 for operating common policies.

**Operating common policies**

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Legal services	\$203,573	\$125,808	\$68,197	\$9,568	\$0	0.0
IT accessibility	171,563	171,563	0	0	0	0.9
State accounting system (CORE)	136,988	68,486	53,071	15,431	0	0.0
Capitol Complex leased space	40,755	11,615	7,417	3,709	18,014	0.0
Workers' compensation	40,345	19,384	5,266	1,363	14,332	0.0
State payroll system (CORE)	17,150	7,148	2,730	1,622	5,650	0.0
Vehicle lease payments	4,220	4,220	0	0	0	0.0
Risk management & property	-396,881	-396,881	0	0	0	0.0
Office of Information Technology services	-102,072	-75,202	-21,663	-5,207	0	0.0
Administrative law judge services	-68,684	0	-68,684	0	0	0.0
IT efficiencies	-9,025	-6,662	-1,790	-573	0	0.0
IT operating offset	-213	-157	-42	-14	0	0.0
<b>Total</b>	<b>\$37,719</b>	<b>-\$70,678</b>	<b>\$44,502</b>	<b>\$25,899</b>	<b>\$37,996</b>	<b>0.9</b>

**Teacher of the year:** The bill adds an appropriation for the Teacher of the Year program based on the passage of H.B. 26-1175 (State Education Fund READ Act & Teacher of the Year), which changes funding for this program from a transfer to an appropriation.

Year 1: An appropriation of \$24,800 cash funds from the State Education Fund.

The program previously received an annual off-budget transfer of \$24,800 from the State Education Fund.

**Military interstate children's compact:** The bill includes an increase for dues to support the Military Interstate Children's Compact.

Year 1: An increase of \$11,623 cash funds from the State Education Fund.

The total FY 2026-27 appropriation for this program is \$32,921 from the State Education Fund.

**State Public School Fund revenue adjustment:** The bill includes a decrease of \$70.0 million General Fund and an increase of \$70.0 million from the State Public School Fund in the state share line to account for additional expected revenue to the State Public School Fund.

**Early literacy adjustments:** The bill includes adjustments to funding for early literacy programs. These include: (1) Eliminating appropriations from the Early Literacy Fund and replacing them with appropriations from the State Education Fund; and (2) changes to the allocation of cash funds among early literacy line items.

Year 1: Includes the following net \$0 cash funds adjustments in early literacy line items:

- An increase of \$34.75 million from the State Education Fund, a reduction of \$34.13 million from the Early Literacy Fund, and a reduction of \$621,849 from the Marijuana Tax Cash Fund.
- An increase of \$1.0 million for the Early Literacy Competitive Grant Program and a reduction of the same amount for Early Literacy Evidence Based Training Provided to Teachers.

S.B. 26-1175 (State Education Fund READ Act & Teacher of the Year) repeals the Early Literacy Fund, which previously received a \$34.0 million annual transfer from the State Education Fund. Beginning in FY 2026-27, statute requires appropriations of at least \$34.0 million from the State Education Fund for early literacy programs.

Funding for the Early Literacy Competitive Grant Program is increased to \$8.5 million for FY 2026-27. Previous Long Bills included a footnote that allowed the Department to transfer money between early literacy line items. The FY 2026-27 Long Bill does not include this flexibility, but it adjusts line item funding to align with recent year spending, including larger expenditures for the Early Literacy Competitive Grant Program.

**Facility schools baseline funding model:** The bill includes flat funding for facility schools as a budget balancing measure. Facility schools serve students with exceptionally severe or specialized needs.

Year 1: \$0 changes, reflecting an expectation that the Department will pro-rate school funding and make other adjustments to operate within existing resources.

The Facility School Funding line item is held flat at \$33.3 million from the State Education Fund for FY 2026-27. Costs were projected to increase by \$3.0 million based on inflation and projected opening of new schools. The Department is expected to take proactive steps to constrain this growth. Funding for facility schools has nearly

doubled since FY 2022-23, based on provisions in S.B. 23-219 (Supports to Students and Facility Schools). An evaluation of the impact of S.B. 23-219 is due October 2026.

**True-up BEST cash grants:** The bill includes an adjustment to the appropriation for Building Excellent Schools Today (BEST) cash grants, based on funds available.

Year 1: A reduction of \$11.6 million cash funds from the Public School Capital Construction Assistance Fund, leaving an appropriation of \$107.4 million.

The appropriation for cash grants for FY 2026-27 (\$107.4 million to be awarded in June 2026) is *greater* than the \$105.1 million in cash grants that the Department awarded in June 2025. The Department did not fully use its FY 2025-26 cash grants appropriation when making awards in June 2025, which increased the funds available for FY 2026-27 grants.

**Behavioral Health Care Professional Matching Grant:** The bill includes a reduction for the Behavioral Health Care Professional Matching Grant program as a budget balancing measure.

Year 1: A reduction of \$3.0 million from the Marijuana Tax Cash Fund (MTCF) and 1.0 FTE. This reduces the total for this program from \$15.0 million to \$12.0 million from the MTCF and 4.0 FTE.

**School Bullying Prevention Grant:** The bill eliminates funding for this program as a budget balancing measure.

Year 1: A reduction of \$1.0 million General Fund.

In FY 2025-26, the General Assembly reduced this program from \$2.0 million to \$1.0 million.

**School Counselor Corps Grant:** The bill reduces the appropriation for the School Counselor Corps Grant Program as a budget balancing measure.

Year 1: A reduction of \$1.0 million from the State Education Fund. This reduces the total for this program from \$12.0 million to \$11.0 million.

A rigorous recent evaluation found that this program did not have a statistically significant impact on outcomes for the majority of students, although there were positive impacts for some sub-populations. Earlier studies found the program had a positive impact.

**Adult Education and Literacy Grants:** The bill reduces the appropriation for Adult Education and Literacy Grants as a budget balancing measure.

Year 1: A reduction of \$1.0 million General Fund. This reduces the total for this program from \$3.0 million to \$2.0 million General Fund.

The program is spending down approximately \$3.0 million rolled forward from previous one-time appropriations. These funds are available through FY 2028-29. The State also receives federal support for adult education.

**Legacy nutrition programs:** The bill includes adjustments that can be made under current law to funding for nutrition programs that are not part of the Healthy School Meals for All (HSMA) Program.

Year 1: A reduction of \$675,729 from the State Education Fund and 0.4 FTE to eliminate funding for pre-HSMA local school food purchasing and technical assistance grant programs. Also, a refinance of \$113,764 General Fund with HSMA cash funds to match some federal school nutrition program funding.

Adjustments to funding for other legacy nutrition programs is included in separate legislation.

**Local Accountability Grant Program:** The bill eliminates funding for the Local Accountability Grant Program as a budget balancing measure.

Year 1: A decrease of \$506,690 General Fund and 0.4 FTE.

A separate bill repeals Local Accountability System statutory provisions.

**Administrative efficiencies and underused appropriations:** The bill includes reductions for administrative efficiencies and underused appropriations as a budget balancing measure.

Year 1: A reduction of \$506,542 total funds, including \$431,542 General Fund and \$75,000 cash funds, and 1.7 FTE. The total includes the following reductions:

- \$100,000 General Fund for General Department Administration;
- \$75,000 General Fund for Educator Effectiveness Administration;
- \$75,000 cash funds for READ Act administration;
- \$92,838 General Fund and 0.7 FTE for HB22-1376 Restraint Complaint;
- \$115,714 General Fund and 1.0 FTE for H.B. 24-1063 Abbreviated School Days;
- \$30,000 General Fund for State Board of Education travel; and
- \$18,000 General Fund for Parents Encouraging Parents Conferences.

**Technical adjustments:** The bill includes a net decrease for technical adjustments to programs administered by the Department.

Year 1: A reduction of \$400,643 total funds, including:

- a reduction of \$535,370 reappropriated funds and 6.9 FTE to eliminate empty spending authority for information technology staff;
- an increase of \$129,597 cash funds from the State Education Fund for state-operated schools based on projected rates and utilization; and
- an increase of \$5,130 federal funds for the summer electronic benefits transfer for children program to align with state funds appropriations for the program.

**CSDB technical adjustments:** The bill includes a net decrease for technical adjustments to appropriations for the Colorado School for the Deaf and the Blind (CSDB).

Year 1: A reduction of \$289,235 total funds, including a reduction of \$451,688 General Fund and an increase of \$162,433 reappropriated funds. The total includes a reduction of \$289,235 General Fund to correct prior year errors in personal services calculations and a net \$0 adjustment to fund sources for personal services that provides General Fund savings.

**READ Act awareness campaign:** The bill reduces funding for the READ Act early literacy awareness campaign as a budget balancing measure.

Year 1: A reduction of \$200,000 from the State Education Fund.

A reduction to READ Act external evaluations is included in separate legislation.

**Statewide assessment program:** The bill includes a reduction based on anticipated expenses for the statewide assessment program.

Year 1: A reduction of \$158,019 total funds, including a reduction of \$128,672 from the State Education Fund.

**Menstrual Hygiene Grant:** The bill eliminates the appropriation for the Menstrual Hygiene Grant as a budget balancing measure.

Year 1: A reduction of \$100,000 General Fund and 0.2 FTE.

Statutory provisions now require most schools to provide free menstrual hygiene products for students.

# Governor

The Office of the Governor serves as the chief executive for the State of Colorado. Duties of the Governor’s Office include oversight of the executive branch, development of revenue estimates and budget requests, and promotion of the state’s industry and tourism. Additionally, the Office provides statewide information technology (IT) services to state agencies.

## Governor - Lieutenant Governor - State Planning and Budgeting

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 appropriation	\$539,175,891	\$53,327,927	\$105,668,534	\$371,283,336	\$8,896,094	1,272.3
<b>Changes from FY 2025-26 Appropriation</b>						
OIT spending authority	\$10,825,419	\$0	\$0	\$10,825,419	\$0	0.0
Prior year actions	8,384,477	-253,495	-4,254,272	13,386,685	-494,441	1.2
Employee compensation common policies	7,753,745	573,615	1,256,565	6,472,214	-548,649	0.0
Youth Mental Health Corps funding	505,330	0	505,330	0	0	-0.5
Technical adjustments	167,930	0	992,709	-824,779	0	-3.5
OIT Operating realignment	-5,567,000	0	0	-5,567,000	0	0.0
OIT Operating efficiencies	-2,604,305	0	0	-2,604,305	0	-17.0
OEDIT 2.5 percent GF reduction	-528,964	-528,964	0	0	0	0.0
Operating common policies	-464,721	1,833,808	-822,677	-1,490,013	14,161	0.9
GOV 2.5 percent GF reduction	-263,942	-263,942	0	0	0	0.0
Impacts driven by other agencies	-250,000	0	0	-250,000	0	0.0
TAP operating reduction	-135,887	-135,887	0	0	0	0.0
CEO 2.5 percent GF reduction	-102,600	-102,600	0	0	0	0.0
<b>Total FY 2026-27 Long Bill Appropriation</b>	<b>\$556,895,373</b>	<b>\$54,450,462</b>	<b>\$103,346,189</b>	<b>\$391,231,557</b>	<b>\$7,867,165</b>	<b>1,253.4</b>
\$ Change from prior year	\$17,719,482	\$1,122,535	-\$2,322,345	\$19,948,221	-\$1,028,929	-18.9
% Change from prior year	3.3%	2.1%	-2.2%	5.4%	-11.6%	-1.5%

Changes are assumed to be ongoing unless otherwise noted.

## Description of Recommended Changes

**OIT spending authority:** The bill includes increased spending authority for the Office of Information Technology (OIT).

Year 1: An increase of \$10.8 million in reappropriated funds from the IT Revolving Fund.

This increase is coupled with a reduction in departmental payments to OIT to save General Fund by drawing down the IT Revolving Fund’s balance.

**Prior year actions:** The bill includes a net increase of \$8.4 million for the impact of prior year budget decisions and legislation.

### Prior year actions

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB 26-1154 Governor supplemental	\$13,755,233	-\$214,643	-\$64,688	\$14,075,444	-\$40,880	0.0
HB 25-1021 Emp-owned tax incentive	93,766	93,766	\$0	\$0	\$0	0.5
HB 25-1005 Film fest tax credit	93,765	0	93,765	0	0	0.5
HB 23-1272 Decarbonization tax policy	37,655	0	37,655	0	0	0.0
HB 25-1215 Redistribute lottery fund	26,512	0	26,512	0	0	0.0
HB 25-1269 Building decarbonization	0	0	0	0	0	1.4
SB 24-111 Senior primary res prop tax reduc	0	0	0	0	0	0.0
HB 25-1321 Support against fed actions	-4,000,000	0	-4,000,000	0	0	0.0
FY 25-26 Salary survey	-403,722	-1	-165,461	-8,287	-229,973	0.0
HB 24-1364 Edu based workforce readiness	-343,354	25,607	-141,428	-227,533	0	-1.0
HB 23-1247 Advanced energy solutions	-166,374	0	0	0	-166,374	0.0
SB 25-297 Implement CO natural med	-158,240	0	0	-158,240	0	0.0
SB 25-161 Transit reform	-146,720	-146,720	0	0	0	-0.1
HB 25-1159 Child supp comm rec	-137,250	0	0	-137,250	0	0.0
FY 25-26 Step Plan	-97,841	0	-40,627	0	-57,214	0.0
SB 24-121 License of crit access hospitals	-69,615	0	0	-69,615	0	0.0
SB 25-003 Semiauto firearms and RFD	-50,000	0	0	-50,000	0	0.0
HB 24-1223 Impr access to child care assist	-21,103	0	0	-21,103	0	0.0
SB 24-182 Immigrant ID doc issuance	-14,355	0	0	-14,355	0	0.0
HB 24-1325 Quantum tax credits	-11,504	-11,504	0	0	0	-0.1
HB 24-1269 Mod recording fees	-1,188	0	0	-1,188	0	0.0
SB 24-210 Modify election law	-1,188	0	0	-1,188	0	0.0
<b>Total</b>	<b>\$8,384,477</b>	<b>-\$253,495</b>	<b>-\$4,254,272</b>	<b>\$13,386,685</b>	<b>-\$494,441</b>	<b>1.2</b>

**Employee compensation common policies:** The bill includes a net increase of \$7.8 million for employee compensation common policies. A common policy refers to general policies applied consistently to all departments.

### Employee compensation common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Health, life, and dental	\$4,817,704	\$437,065	\$642,590	\$3,941,665	-\$203,616	0.0
Health, life, dental true-up	2,303,884	200,001	175,356	1,867,364	61,163	0.0
Step plan	1,785,542	205,110	165,823	1,355,092	59,517	0.0
Unfunded liability amortization payments	1,228,537	76,853	360,838	1,098,308	-307,462	0.0
PERA direct distribution	137,014	-44,707	64,337	117,384	0	0.0
Shift differential	79,227	0	0	79,227	0	0.0
Paid family and medical leave insurance	52,537	3,422	16,287	46,664	-13,836	0.0
Salary survey	20,022	0	20,022	0	0	0.0
Short-term disability	9,321	467	2,526	8,480	-2,152	0.0
Vacancy savings	-2,680,043	-304,596	-191,214	-2,041,970	-142,263	0.0
<b>Total</b>	<b>\$7,753,745</b>	<b>\$573,615</b>	<b>\$1,256,565</b>	<b>\$6,472,214</b>	<b>-\$548,649</b>	<b>0.0</b>

**Youth Mental Health Corps funding:** The bill includes spending authority for the Youth Mental Health Corps, which is an AmeriCorps program.

Year 1: A net increase of \$505,330 from the Marijuana Tax Cash Fund. This includes a reallocation of \$244,670 in existing Marijuana Tax Cash Fund appropriations and a decrease of 0.5 FTE in the Office of the Governor and the Office of State Planning and Budgeting (OSPB).

**Technical adjustments:** The bill includes a net increase of \$167,930 for a reappropriation of Art in Public Places funding from Capital Construction, a budget neutral correction of the streamlined solar permitting appropriation, and an FTE correction for Historic Preservation Tax Credit administration.

**Technical adjustments**

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Art In Public Places	\$167,930	\$0	\$0	\$167,930	\$0	0.0
Solar permitting	0	0	992,709	-992,709	0	0.0
Hist Preservation Tax Credit FTE	0	0	0	0	0	-3.5
<b>Total</b>	<b>\$167,930</b>	<b>\$0</b>	<b>\$992,709</b>	<b>-\$824,779</b>	<b>\$0</b>	<b>-3.5</b>

**OIT Operating realignment:** The bill decreases spending on information security in OIT.

Year 1: A decrease of \$5.6 million reappropriated funds from the IT Revolving Fund.

This reduction will align information security appropriations with anticipated expenditures. It will reduce General Fund payments to OIT in other agencies by an estimated \$2.2 million. The Office expects this to have no operational impact.

**OIT Operating efficiencies:** The bill lowers appropriations due to streamlined service delivery through consolidation of offices in OIT.

Year 1: A decrease of \$2.6 million reappropriated funds and 17.0 FTE.

The Office has recently combined the Customer Office, Operations Office, and Technology Office, resulting in streamlined service delivery. This decrease will reduce General Fund payments to OIT in other agencies by an estimated \$1.0 million. The Office expects no operational impact from this reduction.

**OEDIT 2.5 percent GF reduction:** The bill reduces General Fund appropriations to the Office of Economic Development and International Trade (OEDIT) by 2.5 percent.

Year 1: A decrease of \$528,964 General Fund.

**Operating common policies:** The bill includes a net decrease of \$464,721 for operating common policies.

**Operating common policies**

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Legal services	\$1,139,777	\$1,313,841	-\$4,781	-\$169,244	-\$39	0.0
Capitol Complex leased space	346,536	65,287	\$0	281,249	0	0.0
Departmental indirect cost adjustment	312,796	0	113,054	199,742	0	0.0
Office of Information Technology services	254,663	254,663	0	0	0	0.0
State accounting and payroll system (CORE)	243,229	12,019	14,566	202,444	14,200	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
IT accessibility	153,887	153,887	0	0	0	0.9
Leased space	88,137	88,137	0	0	0	0.0
Workers' compensation	50,251	43,455	0	6,796	0	0.0
Vehicle lease payments	1,278	1,278	0	0	0	0.0
Risk management & property	-1,050,254	-23,525	0	-1,026,729	0	0.0
OEDIT CTO gaming funds to HC	-1,000,000	0	-1,000,000	0	0	0.0
Statewide indirect cost adjustment	-929,787	0	54,484	-984,271	0	0.0
IT operating offset	-55,791	-55,791	0	0	0	0.0
IT efficiencies	-19,443	-19,443	0	0	0	0.0
<b>Total</b>	<b>-\$464,721</b>	<b>\$1,833,808</b>	<b>-\$822,677</b>	<b>-\$1,490,013</b>	<b>\$14,161</b>	<b>0.9</b>

**GOV 2.5 percent GF reduction:** The bill includes a 2.5 percent reduction to General Fund appropriations in the Governor's Office, Lieutenant Governor's Office, and the Office of State Planning and Budgeting.

Year 1: Total savings of \$263,942 General Fund. This amount would be spread across the various lines in the Office of the Governor, the Office of the Lt. Governor, and the Office of State Planning and Budgeting that receive General Fund appropriations.

**Impacts driven by other agencies:** The bill includes a net decrease of \$250,000 reappropriated funds for a reduction in real-time billing from the Department of Early Childhood.

**TAP operating reduction:** The bill includes a decrease the operating appropriation for the Technology Assistance Program (TAP).

Year 1: A decrease of \$135,887 General Fund.

**CEO 2.5 percent GF reduction:** The bill includes a 2.5 percent reduction to the General Fund appropriation for the Colorado Energy Office (CEO).

Year 1: A decrease of \$102,600 General Fund.

# Health Care Policy and Financing

The Department helps cover health and long-term care costs for low-income and vulnerable people. Federal matching funds assist with most of these costs. In return for the federal funds, the Department must follow federal rules governing eligibility, benefits, and other features. Major programs administered by the Department include:

- Medicaid, which serves people with low income and people needing long-term care
- Child Health Plan Plus (CHP+), which provides low-cost insurance for children and pregnant women with income slightly higher than Medicaid allows
- Health services for children lacking access due to immigration status, which is a new state-funded program that mirrors Medicaid and CHP+

In addition, the Department works to improve the health care delivery system by advising the General Assembly and the Governor, administering grants, and overseeing the Commission on Family Medicine Residency Training Programs.

## Department of Health Care Policy and Financing

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation	\$19,044,163,448	\$5,684,210,687	\$2,216,304,635	\$160,576,367	\$10,983,071,759	847.8
Long Bill Supplemental	191,648,402	67,977,325	22,751,021	-6,969	100,927,025	0.5
FY 2025-26 Adjusted Appropriation	\$19,235,811,850	\$5,752,188,012	\$2,239,055,656	\$160,569,398	\$11,083,998,784	848.3
<b>Changes from FY 2025-26 Appropriation</b>						
Medical forecast	\$1,861,796,677	\$468,259,025	\$266,403,679	\$0	\$1,127,133,973	0.0
Eligibility & benefit changes	-48,759,675	-21,170,746	-1,841,108	0	-25,747,821	3.5
Provider rates	-288,969,529	-107,720,320	-20,488,437	0	-160,760,772	0.9
Administration	32,803,784	-18,562,332	19,433,141	0	31,932,975	21.6
Employee compensation common policies	5,284,870	1,211,545	1,161,202	0	2,912,123	0.0
Operating common policies	-278,886	-902,610	378,670	-13,427	258,481	0.0
Impacts driven by other agencies	1,083,011	525,738	5,315	0	551,958	0.0
Continuation of supplemental actions	-305,489,369	-121,881,777	-14,491,371	-484,951	-168,631,270	3.4
Prior year actions	33,382,050	13,219,353	-4,075,326	-1,652,006	25,890,029	-2.6
Total FY 2026-27 Long Bill Appropriation	\$20,526,664,783	\$5,965,165,888	\$2,485,541,421	\$158,419,014	\$11,917,538,460	875.1
\$ Change from prior year	\$1,290,852,933	\$212,977,876	\$246,485,765	-\$2,150,384	\$833,539,676	26.8
% Change from prior year	6.7%	3.7%	11.0%	-1.3%	7.5%	3.2%

Changes are assumed to be ongoing unless otherwise noted.

# Description of Recommended Changes

## FY 2025-26

**Long Bill Supplemental:** The bill includes changes to FY 2025-26 appropriations primarily based on the February 2026 forecast of caseload and expenditures under current law and policy, with some small technical corrections to appropriations.

## FY 2026-27

### Medical forecast

#### Medical forecast

Item	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
Medical Services Premiums	\$1,491,009,550	\$350,954,466	\$236,462,836	\$903,592,248	0.0
Behavioral health	232,326,516	45,066,026	24,526,594	162,733,896	0.0
Office of Community Living	60,986,773	32,321,158	-1,602,749	30,268,364	0.0
Child Health Plan Plus	46,983,793	9,427,330	7,016,998	30,539,465	0.0
Other programs & services	30,490,045	30,490,045	0	0	0.0
<b>Total</b>	<b>\$1,861,796,677</b>	<b>\$468,259,025</b>	<b>\$266,403,679</b>	<b>\$1,127,133,973</b>	<b>0.0</b>

**Medical Services Premiums:** The bill includes an adjustment to Medical Services Premiums based on the February forecast of caseload and expenditures under current law and policy. The net impact is an increase of \$1.5 billion total funds (10.7 percent), including \$351.0 million General Fund (8.8 percent). Medical Services Premiums pays for physical health and most long-term services and supports for people eligible for Medicaid.

**Behavioral health:** The bill includes an adjustment to behavioral health services based on the February forecast of caseload and expenditures under current law and policy. The net impact is an increase of \$232.3 million total funds (15.0 percent), including \$45.1 million General Fund (12.9 percent). Behavioral health services pay for mental health and substance use treatment.

**Office of Community Living:** The bill includes an adjustment for the Office of Community Living based on the February forecast of caseload and expenditures under current law and policy. The net impact is an increase of \$61.0 million total funds (4.2 percent), including \$32.3 million General Fund (4.5 percent). The Office of Community Living provides long-term services and supports for people with intellectual and developmental disabilities.

**Child Health Plan Plus:** The bill includes an adjustment to the Child Health Plan Plus (CHP+) based on the February forecast of caseload and expenditures under current law and policy. The net impact is an increase of \$47.0 million total funds (17.5 percent), including \$9.4 million General Fund (21.4 percent). CHP+ pays for physical health services for eligible children and pregnant women and for dental services for children. The Department markets the program as CHP+. In state statute it is the Children's Basic Health Plan. In federal statute it is the Children's Health Insurance Program.

**Other programs & services:** The bill includes an adjustment to other programs that are not part of the categories above but operate like an entitlement program, based on the February forecast of caseload and expenditures under current law and policy. The net impact is an increase of \$30.5 million General Fund (9.4 percent). The two largest programs are the health services for children lacking access due to their immigration status and the Medicare Modernization Act.

The Department provides health insurance coverage to children who would otherwise qualify for Medicaid or CHP+ except for their immigration status. The February forecast projects growth of \$16.7 million General Fund. There is no federal match. The benefits mirror Medicaid and CHP+. The Department can spend more than the appropriation if the costs for services exceed the appropriation. The program started in January 2025.

The federal Medicare Modernization Act (MMA) requires states to reimburse the federal government for a portion of prescription drug costs for people dually eligible for Medicare and Medicaid. The February forecast projects growth of \$13.8 million General Fund.

## Eligibility & benefit changes

### Eligibility & benefit changes

Item	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
3D mammograms	\$635,758	\$128,456	\$37,885	\$469,417	0.0
IDD youth transitions	-15,349,933	-7,674,964	0	-7,674,969	0.5
IDD cost share	-12,641,818	-6,320,909	0	-6,320,909	0.0
Community connector age limit	-7,441,256	-3,738,675	17,147	-3,719,728	0.0
Adult dental annual cap	-6,833,118	0	-1,896,140	-4,936,978	0.0
IDD waitlist	-6,585,727	-3,292,864	0	-3,292,863	0.5
Caregiving hours soft cap	-543,581	-271,790	0	-271,791	2.5
<b>Total</b>	<b>-\$48,759,675</b>	<b>-\$21,170,746</b>	<b>-\$1,841,108</b>	<b>-\$25,747,821</b>	<b>3.5</b>

**3D mammograms:** The bill includes funding to expand Medicaid benefits to cover three-dimensional (3D) mammography for earlier and more accurate detection of breast cancer.

- Year 1: \$635,758 total funds, including \$128,456 General Fund

The Centers for Disease Control and Prevention, US Preventive Services Task Force, and American College of Radiology identify 3D mammography as an effective screening tool.

**IDD youth transitions:** The bill reduces funding to end automatic enrollment to the Adult Comprehensive (DD) waiver for youth aging out of the Children’s Extensive Supports (CES) and the Children’s Habilitation Residential Program (CHRP) waivers.

- Year 1: -\$15.3 million total funds, including -\$7.7 million General Fund, and 0.5 FTE.
- Year 2: -\$43.8 million total funds, including -\$21.9 million General Fund, and 0.5 FTE.

The DD waiver provides access to 24-hour/seven-day-a-week supervision through residential habilitation and daily habilitation services and supports. The bill will end the practice of automatically enrolling into the DD

waiver youth who age out of the CES and CHRP waivers. The change will necessitate non-exempt individuals aging out of the CES and CHRP waivers to seek services through other waivers. The Department is required by state law to automatically enroll youth into the DD waiver without being placed on the waitlist who, while being served through child welfare services, receive services through the CES and CHRP waivers and are turning 18 years old.<sup>1</sup>

**IDD cost share:** The bill reduces funding to implement a policy to require members on the DD waiver to contribute financially for their residential services.

- Year 1: -\$12.6 million total funds, including -\$6.3 million General Fund.
- Year 2: -\$26.3 million total funds, including -\$13.1 million General Fund.

The bill assumes the implementation of post eligibility-treatment of income (PETI) for individuals enrolled in the DD waiver beginning July 1, 2026. PETI is the process used to determine how much of a member's income must be contributed toward the cost of their long-term care in programs that provide residential services. The current policy is to allow individuals enrolled in the DD waiver to retain all income beyond what they pay for room and board, while Medicaid covers the full cost of residential services. Members enrolled in other HCBS residential services are subject to PETI requirements. The PETI process accounts for a personal needs allowance and other allowable deduction and expenses permitted by regulations.

**Community connector age limit:** The bill reduces funding to implement a new age limit for access to community connector benefits for minors, limiting access to ages 6 years or older.

- Year 1: -\$7.4 million total funds, including -\$3.7 million General Fund.
- Year 2: -\$9.6 million total funds, including -\$4.8 million General Fund.

Community connector services help individuals enrolled in the CES and CHRP waivers participate in typical childhood activities and to become more fully integrated into their communities. These services help individuals develop skills and abilities to be active participants in their communities, build relationships and natural supports, and interact one-on-one with non-familial persons without disabilities. Examples of engagement supported by this benefit are volunteering, attending enrichment classes, and going to the library alongside peers without disabilities. Community connector services are provided by program approved service agencies (PASAs), who hire staff to deliver the service.

**Adult dental annual cap:** The bill adjusts funding for a \$3,000 annual cap on adult dental services.

The cap changes projected expenditures by:

- Year 1: -\$6.8 million total funds, including -\$1.4 million from the Adult Dental Fund
- Year 2: -\$9.0 million total funds, including -\$1.5 million from the Adult Dental Fund

Decreasing expenditures from the Adult Dental Fund saves General Fund by reducing the General Fund obligation for a TABOR refund in any year when a TABOR refund is due. The source of revenue to the Adult

---

<sup>1</sup> Section 25.5-6-409.5, C.R.S.

Dental Fund is transfers from the Unclaimed Property Trust Fund (UPTF). The UPTF is exempt from TABOR, but transfers to support the adult dental benefit cross the TABOR boundary.

Comprehensive dental services for children to age 21 and emergency dental services for adults would still be covered because these are required benefits.

The Department estimates about 4,000 adults spend more than \$3,000 each year and would need to reduce expenditures to comply with a \$3,000 annual cap.

**IDD waitlist:** The bill reduces funding for DD waiver waitlist enrollments.

- Year 1: -\$6.6 million total funds, including -\$3.3 million General Fund, and 0.5 FTE.
- Year 2: -\$18.9 million total funds, including -\$9.4 million General Fund, and 0.5 FTE.

The bill reduces funding for the DD waitlist so that for every two people that disenroll from the waiver, one person is enrolled. This is a 50.0 percent reduction in vacancy enrollments (a.k.a., churn enrollments). The Department monthly approves vacancy enrollments from the waitlist for individuals based on the date they were determined eligible and placed on the waitlist. The process maintains a rolling enrollment list, based on the previous month’s reported vacancies. The average length of time an individual over the age of 18 is on the DD waitlist is seven years.

**Caregiving hours soft cap:** The bill reduces funding to implement a phased-cap on the paid weekly hours per caregiver providing these services.

- Year 1: -\$0.5 million total funds, including -\$0.3 million General Fund, and 2.5 FTE.
- Year 2: -\$2.8 million total funds, including -\$1.4 million General Fund, and 3.0 FTE.

The implementation of the 56-hour per week cap will be rolled out over one year, with full implementation planned for July 1, 2027. Providers are expected to be in compliance with the new required caregiver hours per week step down implementation plan.

- April 1, 2026: Case management agencies and provider agencies will begin to communicate the upcoming changes (to begin July 1, 2026) so families can make plans
- July 1, 2026: Requirement that each caregiver have no more than 84 hours per week per member
- January 1, 2027: Requirement that each caregiver have no more than 70 hours per week per member
- July 1, 2027: Requirement that each caregiver have no more than 56 hours per week per member

## Provider rates

### Provider rates

Item	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
Exempt NICU from -2% & 85% of Medicare	\$5,769,698	\$2,884,850	\$0	\$2,884,848	0.0
Exempt pediatric behavioral therapy from -2%	5,028,146	2,514,073	0	2,514,073	0.0
IV nutrition rates	307,660	101,814	12,227	193,619	0.0
Provider rates -2.0%	-222,022,950	-84,164,040	-10,313,576	-127,545,334	0.0

Item	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
Nonwheelchair transport	-51,439,892	-15,377,362	-10,342,584	-25,719,946	0.0
Home health/nurse rates	-26,612,191	-13,679,655	155,496	-13,088,032	0.9
Total	-\$288,969,529	-\$107,720,320	-\$20,488,437	-\$160,760,772	0.9

**Exempt NICU from -2% & 85% of Medicare:** The bill exempts certain neonatal intensive care unit (NICU) rates from the 2.0 percent provider rate reduction and from a supplemental action that reduced rates with a Medicare equivalent to 85 percent of Medicare. Exempting the rates costs:

- Year 1: \$5.8 million total funds, including \$2.9 million General Fund
- Year 2: \$5.9 million total funds, including \$3.0 million General Fund

**Exempt pediatric behavioral therapy from -2%:** The bill exempts pediatric behavioral therapy rates from the 2.0 percent provider rate reduction. Exempting the rates costs:

- Year 1: \$5.0 million total funds, including \$2.5 million General Fund
- Year 2: \$5.5 million total funds, including \$2.7 million General Fund

**IV nutrition rates:** The bill increases IV nutrition rates from \$70.76 to \$238.86 beginning January 1, 2027 to align with the estimated actual costs of administering the service based on a third-party analysis.

- Year 1: \$0.3 million total funds, including \$0.1 million General Fund.
- Year 2: \$0.6 million total funds, including \$0.2 million General Fund.

**Provider rates -2%:** The bill reduces provider rates by 2.0 percent. The provider rate decrease changes the projected expenditures by:

- Year 1: -\$222.0 million total funds, including -\$84.2 million General Fund
- Year 2: -\$242.0 million total funds, including -\$91.8 million General Fund

**Nonwheelchair transport:** The bill reduces provider rates for non-emergency medical transportation (NEMT) when the client does not need a wheelchair.

The rate reduction would take effect July 1, 2026, and changes the forecasted expenditures by:

- Year 1: -\$51.4 million total funds, including -\$15.4 million General Fund
- Year 2: -\$60.8 million total funds, including -\$18.4 million General Fund

The bill reduces the pickup fee for ambulatory clients from \$36.40 to \$4.00, or 89.0 percent. In addition to the pickup fee, the Department pays a fee of \$3.00 per mile that would not change. When looking at the total compensation for a typical metro trip, the rate reduction is closer to 50.2 percent. The reduction better aligns the rates with the maximum rates set by the Public Utilities Commission for large market taxi carriers of \$3.50 for the pickup fee and \$2.80 per mile.

**Home health/nurse rates:** The bill reduces funding for modifications of the private duty nursing (PDN) rate structure and the home health rate structure, as well as to develop and implement a new rate negotiation strategy for the DD waiver and the CHRP waiver.

- Year 1: -\$26.6 million total funds, including -\$13.7 million General Fund, and 0.9 FTE.
- Year 2: -\$58.4 million total funds, including -\$27.8 million General Fund, and 1.0 FTE.
- Year 3: -\$58.7 million total funds, including -\$28.8 million General Fund.

The bill implements a blended per-diem rate and an acute care period for PDN services. Establishing an acute care period for PDN services will allow members a short window of time in which they can receive services prior to approval of a prior authorization request (PAR). The bill also implements a single 15-minute rate for certified nursing assistant services and 30-minute rate increments for the therapy services. The providers for these services include certified nursing assistants, physical therapists, occupational therapists, and speech-language pathology therapists.

Additionally, the bill funds updates to the tool used by case management agencies to determine the daily rate for members enrolled in the DD and CHRP waivers. These waivers provide access to 24/7 supervision and care. Reimbursement is based on a member’s support level need, ranging from 1 (lowest need) to 7 (highest need). For several service categories, the level 7 rate is not set, rather it is negotiated on a per-member basis. The tool used to evaluate and set the level 7 rates was developed in 2007 and has not been updated since.

## Administration

### Administration

Item	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
Federal HR1 compliance	\$40,423,139	\$827,873	\$9,032,339	\$30,562,927	11.0
Pediatric behavioral therapy audit	13,073,850	985,925	11,102,000	985,925	0.0
Provider directory	5,955,875	451,455	248,360	5,256,060	0.0
3rd party insurance	3,089,490	242,166	132,707	2,714,617	0.9
CCBHC implementation	2,095,280	-6,564,692	-187,508	8,847,480	3.7
Federal rules compliance	558,388	222,196	56,999	279,193	3.3
CHP+ Trust consolidation	0	0	0	0	0.0
DOJ housing vouchers	-14,665,920	-6,377,995	0	-8,287,925	0.0
Single assessment	-11,756,314	-6,205,610	53,882	-5,604,586	2.7
Children in Rocky PRIME	-3,476,470	-1,738,235	0	-1,738,235	0.0
Tobacco forecast	-1,933,872	0	-989,907	-943,965	0.0
All Payer Claims Database	-559,662	-405,415	-15,731	-138,516	0.0
<b>Total</b>	<b>\$32,803,784</b>	<b>-\$18,562,332</b>	<b>\$19,433,141</b>	<b>\$31,932,975</b>	<b>21.6</b>

**Federal HR1 compliance:** The bill includes funding for system changes, member support, and fraud prevention related to complying with H.R. 1.

The funding increases expected expenditures by:

- Current year: \$5.4 million total funds, including \$58,458 General Fund, and 4.0 FTE
- Year 1: \$45.8 million total funds, including \$0.8 million General Fund, and 15.0 FTE
- Year 2: \$49.9 million total funds, including \$1.1 million General Fund, and 15.0 FTE

The majority of costs are driven by community engagement (work) requirements and six-month eligibility redeterminations. Beginning in 2027, H.R. 1 requires expansion adults eligible through the Affordable Care Act (ACA) to:

- engage in work, education and training, or community service for 80 hours each month
- renew their eligibility every six months

The Department needs resources for system changes and to help members navigate the new requirements. The bill includes funding for outreach, call center resources, and grievances and appeals.

County administration costs will increase to determine member compliance with the work requirements and redetermine eligibility more frequently.

In addition, H.R. 1 includes new requirements aimed at preventing fraud.

**Pediatric behavioral therapy audit:** The bill includes one-time funding for claims reviews in FY 2026-27 to address known improper payments for pediatric behavioral therapy. The Department projects the claims reviews will lead to increased recoveries in FY 2026-27 through FY 2028-29.

#### Claim by Claim Audit

Item	Total Funds	General Fund	Cash Funds	Federal Funds
Claims reviews	\$13,073,850	\$6,536,925	\$0	\$6,536,925
FY 26-27 Recoveries	0	-5,551,000	11,102,000	-5,551,000
Subtotal - FY 26-27	\$13,073,850	\$985,925	\$11,102,000	\$985,925
FY 27-28 Recoveries	0	-6,441,950	12,883,900	-6,441,950
FY 28-29 Recoveries	0	0	0	0
Total Recoveries	0	-11,992,950	23,985,900	-11,992,950

Recoveries are exempt from TABOR. The revenues from recoveries get used to offset the need for General Fund and federal funds for Medical Services Premiums so that the total expenditures don't change but the sources of funding change.

**Provider directory:** The bill includes money to improve the provider directory to meet federal standards.

The bill changes expected expenditures by:

- Year 1: \$6.0 million total funds, including \$0.5 million General Fund
- Year 2: \$1.9 million total funds, including \$0.3 million General Fund

The provider directory helps members, providers, care coordinators, and call center staff locate participating providers for referrals. Recent federal guidance increased minimum requirements around mobile useability, quarterly updates, cultural and linguistic detail, interoperability with other software, user-friendly search

features, and accessibility. The directory must now include fee-for-service providers and not just managed care providers.

**3<sup>rd</sup> party insurance:** In cases where a third-party insurer should pay, rather than Medicaid, the bill shifts money from a vendor that checks claims after they are paid to information technology systems that stop improper payments in advance. In addition, the bill takes savings from the FY 2025-26 appropriation for contract services that the Department will not use.

The table below summarizes the policy by fiscal year.

**3<sup>rd</sup> party liability**

Item	Total Funds	General Fund	Hospital Provider Fee	Federal Funds	FTE
<b>FY 2025-26</b>					
Third Party Liability Contract	-\$3,212,252	-\$1,043,983	-\$562,144	-\$1,606,125	0.0
<b>FY 2026-27</b>					
Third Party Liability Contract	-\$3,212,252	-\$1,043,983	-\$562,144	-\$1,606,125	0.0
Medicaid Management Information System	3,000,000	227,400	125,100	2,647,500	0.0
Personal Services	81,338	13,421	6,914	61,003	0.9
Operating Expenses	8,152	1,345	693	6,114	0.0
Centrally appropriated costs	0	0	0	0	0.0
<b>Total - FY 2026-27</b>	<b>-\$122,762</b>	<b>-\$801,817</b>	<b>-\$429,437</b>	<b>\$1,108,492</b>	<b>0.9</b>
<b>FY 2027-28</b>					
Third Party Liability Contract	-\$3,212,252	-\$1,043,983	-\$562,144	-\$1,606,125	0.0
Medicaid Management Information System	3,000,000	227,400	125,100	2,647,500	0.0
Personal Services	90,376	14,912	7,682	67,782	0.9
Operating Expenses	1,280	211	109	960	0.0
Centrally appropriated costs	22,906	3,780	1,947	17,179	0.0
<b>Total - FY 2027-28</b>	<b>-\$97,690</b>	<b>-\$797,680</b>	<b>-\$427,306</b>	<b>\$1,127,296</b>	<b>0.9</b>

**CCBHC implementation:** The bill includes a net decrease to reflect the implementation of a Certified Community Behavioral Health Clinic (CCBHC) demonstration grant.

- Year 1: \$2.1 million total funds, including -\$6.6 million General Fund, and 3.7 FTE, offset by an increase of \$8.8 million federal funds
- Year 2: \$2.7 million total funds, including -\$13.3 million General Fund, and 4.0 FTE, offset by an increase of \$16.3 million federal funds
- Year 5: \$0

CCBHCs receive additional federal funds for meeting certain federal requirements. States may adopt the CCBHC model by receiving planning and demonstration grants from SAMHSA. The state was awarded a planning grant in 2024, and the Department expects to apply for a demonstration grant in April 2026.

**Federal rules compliance:** The bill provides staff and resources to comply with new federal regulations, including:

- 1.0 rate analyst for more frequent benchmarks, comparisons, and reviews of select provider rates
- 2.0 administrators for expanded incident management requirements and responding to grievances
- Contract actuary services for additional requirements in setting managed care rates
- 1.0 statistical analyst (0.3 FTE in FY 2026-27) for new communication and reporting requirements for prior authorization requests

The resources increase expenditures by:

- Year 1: \$0.6 million total funds, including \$0.2 million General Fund

**CHP+ Trust consolidation:** The bill includes a net zero change to consolidate appropriations from the Children's Basic Health Plan (CHP+) Trust in the line item that pays for services.

**DOJ housing vouchers:** The bill reduces funding resulting from the transition of individuals from institutional care settings to community-based care settings.

- Year 1: net -\$14.7 million total funds, including -\$6.4 million General Fund
- Year 2: net -\$16.1 million total funds, including -\$3.1 million General Fund
- Year 3: net -\$15.5 million total funds, including -\$1.2 million General Fund

The bill includes funding for housing vouchers and staffing resources in the Department of Local Affairs, which appear as reappropriated funds and FTE in that department. This funding supports the transition of individuals from institutional care settings to community-based care settings in order to meet the provisions of the federal DOJ settlement agreement related to Title II of the Americans with Disabilities Act. Savings are realized in the Department of Health Care Policy and Financing as a result of persons moving from nursing facilities to less-costly community-based service settings.

**Single assessment:** The bill includes net reductions for the deployment of a single assessment tool to be used by case management agencies in developing an individual's Person-centered Support Plan (PCSP or Plan).

- Year 1: net -\$11.7 million total funds, including -\$6.2 million General Fund, and an increase of 2.7 FTE
- Year 2: An increase of \$3.5 million total funds, including \$1.4 million General Fund, and 3.0 FTE

The single assessment tool is designed to support a person-centered approach in developing an individual's Person-centered Support Plan (PCSP or Plan). The single assessment tool gathers information about a person's life experiences (e.g., work, education, health, etc.) and their quality of life by helping to identify needs, preferences, and personal goals. The Plan uses the results of the single assessment tool to outline the services and supports that meet the individual's care goals and preferences. The single assessment tool is intended to standardize the assessment process to assist case management agencies in determining the appropriate level of long-term services and supports. The single assessment tool replaces the use of multiple assessment tools, resulting in net savings.

**Children in Rocky PRIME:** The bill reflects that the Department no longer plans to expand the managed care contract with Rocky Mountain Health PRIME to include children. Instead, the children will continue to receive Medicaid coverage on a fee-for-service basis. This changes the projected expenditures by:

- Year 1: -\$3.5 million total funds, including -\$1.7 million General Fund

**Tobacco forecast:** The bill includes adjustments to align with the Office of State Planning and Budgeting's March revenue forecast of tobacco tax revenues that support the Primary Care Fund and the Child Health Plan Plus. The adjustments change the expected expenditures by:

- Year 1: -\$1.9 million total funds

**All Payer Claims Database:** The bill reduces the All Payer Claims Database (APCD) to reflect lower than expected system maintenance costs. The adjustment changes the appropriation by:

- Year 1: -\$0.6 million total funds, including -\$0.4 million General Fund

### Employee compensation common policies

The bill includes a net change of \$5.3 million total funds, including \$1.2 million General Fund, for employee compensation common policies. A common policy refers to general policies applied consistently to all departments.

#### Employee compensation common policies

Item	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
Health, life, and dental	\$5,136,947	\$1,493,138	\$830,055	\$2,813,754	0.0
Unfunded liability amortization payments	1,098,306	124,115	379,326	594,865	0.0
Step plan	233,027	85,388	27,138	120,501	0.0
Paid family and medical leave insurance	28,107	5,575	6,422	16,110	0.0
PERA direct distribution	23,966	-15,026	18,419	20,573	0.0
Short-term disability	11,689	828	4,794	6,067	0.0
Salary survey	0	0	0	0	0.0
Vacancy savings	-1,247,172	-482,473	-104,952	-659,747	0.0
<b>Total</b>	<b>\$5,284,870</b>	<b>\$1,211,545</b>	<b>\$1,161,202</b>	<b>\$2,912,123</b>	<b>0.0</b>

### Operating common policies

The bill includes a net change of -\$0.3 million total funds, including -\$0.9 million General Fund, for operating common policies.

#### Operating common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Office of Information Technology services	\$2,577,395	\$716,596	\$153,532	\$0	\$1,707,267	0.0
Legal services	1,798,276	593,680	305,458	0	899,138	0.0
Workers' compensation	140,639	48,506	25,097	-6,781	73,817	0.0
State accounting and payroll system (CORE)	114,398	37,753	19,446	0	57,199	0.0
Office of Information Technology base reduction	-4,000,000	-2,000,000	0	0	-2,000,000	0.0
Administrative law judge services	-776,126	-256,123	-131,941	0	-388,062	0.0
Risk management & property	-133,468	-43,022	7,078	-6,646	-90,878	0.0
<b>Total</b>	<b>-\$278,886</b>	<b>-\$902,610</b>	<b>\$378,670</b>	<b>-\$13,427</b>	<b>\$258,481</b>	<b>0.0</b>

## Impacts driven by other agencies

The bill includes a net increase of \$1.1 million for impacts driven by other state agencies.

### Impacts driven by other agencies

Item	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
Human Services	\$916,073	\$458,037	\$0	\$458,036	0.0
Personnel	440,231	143,075	77,041	220,115	0.0
Public Health and Environment	126,553	52,823	0	73,730	0.0
Local Affairs	2,074	1,037	0	1,037	0.0
Office of Information Technology	-401,920	-129,234	-71,726	-200,960	0.0
<b>Total</b>	<b>\$1,083,011</b>	<b>\$525,738</b>	<b>\$5,315</b>	<b>\$551,958</b>	<b>0.0</b>

## Continuation of supplemental actions

The bill includes a net change of -\$305.5 million total funds, including -\$121.9 million General Fund, for the second year impact of supplemental actions.

### Continuation of supplemental actions

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Public School Health Services	\$7,902,943	\$0	\$3,951,472	\$0	\$3,951,471	0.0
Disability determinations	106,020	34,456	18,553	0	53,011	0.0
Home health administration	45,155	21,769	808	0	22,578	0.7
SBIRT training grants	0	500,000	-500,000	0	0	0.0
Federal match supplemental payments	0	-5,552,072	0	-35,232	5,587,304	0.0
Rates above 85% Medicare	-54,012,504	-15,263,933	-3,834,888	0	-34,913,683	0.0
Provider rates -1.6%	-52,805,563	-18,715,027	-2,872,498	0	-31,218,038	0.0
XL Wheelchair transport	-27,563,167	-8,289,887	-5,491,780	0	-13,781,500	0.0
Prepayment claims review	-24,712,500	-12,356,250	0	0	-12,356,250	0.0
Community connector units	-21,423,504	-10,711,251	0	0	-10,712,253	1.0
HCBS hours soft cap	-19,426,980	-9,741,474	0	0	-9,685,506	1.7
Community connector rates	-24,824,461	-12,411,730	0	0	-12,412,731	0.0
Continuous coverage	-13,604,507	-5,613,172	-358,439	0	-7,632,896	0.0
Drug rates	-13,171,612	-3,143,566	-982,094	0	-9,045,952	0.0
Pediatric behavioral therapy rates	-13,057,068	-6,528,534	0	0	-6,528,534	0.0
Claims rules enforcement	-9,187,501	-2,872,809	-479,402	0	-5,835,290	0.0
Biosimilars	-7,184,522	-1,375,261	-723,606	0	-5,085,655	0.0
Dental rates	-6,889,650	-1,258,050	-1,040,337	0	-4,591,263	0.0
Community health workers	-5,713,346	-1,364,558	-342,750	0	-4,006,038	0.0
3rd party pay for drugs	-5,699,660	-1,717,435	-376,497	0	-3,605,728	0.0
NEMT corrective action	-3,104,169	-1,020,412	-531,672	0	-1,552,085	0.0
Technical adjustments	-2,217,554	-297,752	-148,101	-449,719	-1,321,982	0.0
Behavioral health incentives	-1,977,208	-391,927	-596,677	0	-988,604	0.0
Senior dental grants	-1,500,000	-1,500,000	0	0	0	0.0
LTSS presumptive eligibility	-1,472,778	-780,756	0	0	-692,022	0.0
Drug dispensing fees	-1,409,088	-424,591	-93,078	0	-891,419	0.0
Tests for specific drugs	-1,175,519	-156,344	-86,283	0	-932,892	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Immigrant family planning	-500,000	-500,000	0	0	0	0.0
Homemaker hours soft cap	-477,128	-238,564	0	0	-238,564	0.0
Member surveys	-425,294	-212,647	0	0	-212,647	0.0
Accountable care incentives	-8,204	0	-4,102	0	-4,102	0.0
<b>Total</b>	<b>-\$305,489,369</b>	<b>-\$121,881,777</b>	<b>-\$14,491,371</b>	<b>-\$484,951</b>	<b>-\$168,631,270</b>	<b>3.4</b>

## Prior year actions

The request includes a net increase of \$33.4 million total funds, including \$13.2 million General Fund, for the impact of prior year budget decisions and legislation. Items with no priority number or bill number were initiated by the General Assembly through the budget process.

### Prior year actions

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB 23-1300 Continuous eligibility	\$13,604,506	\$5,613,172	\$358,438	\$0	\$7,632,896	0.0
FY 25-26 Provider rates 1.6% adjustment	12,242,841	4,361,085	645,728	0	7,236,028	0.0
FY 23-24 BA7 Community access	10,775,256	-300,890	714,063	0	10,362,083	0.1
SB 24-116 Discounts for indigent patients	7,906,592	846,995	621,261	0	6,438,336	0.0
SB 25-229 Community health workers	5,713,346	1,364,558	342,750	0	4,006,038	0.0
HB 24-1038 High acuity youth	4,354,000	2,177,000	0	0	2,177,000	0.0
HB 24-1045 Substance use disorder	3,986,324	807,379	236,968	0	2,941,977	0.0
FY 25-26 R6 Accountable Care Collaborative	2,617,821	1,500,829	-314,251	0	1,431,243	0.0
SB 23-002 Community health services	1,958,861	467,847	117,514	0	1,373,500	0.0
SB 24-168 Remote monitoring	1,711,462	98,758	102,872	0	1,509,832	-0.3
HB 23-1136 Prosthetic devices	1,526,304	0	152,630	0	1,373,674	0.0
SB 24-110 Limit prior authorization	358,420	94,020	21,541	0	242,859	0.0
FY 25-26 BA14 All Payer Claims Database	234,118	195,701	20,073	0	18,344	0.0
SB 25-084 Parenteral nutrition	109,662	54,831	0	0	54,831	0.0
FY 25-26 BA10 System of care	95,000	47,500	0	0	47,500	0.0
FY 25-26 R14 Change contracts to FTE	82,974	7,869	4,021	35,937	35,147	0.7
FY 25-26 BA9 Adj community access	64,886	28,707	0	0	36,179	0.2
FY 25-26 R7 Eligibility determinations	-8,316,037	-237,034	-165,266	-1,687,943	-6,225,794	0.5
SB 25-290 Safety net stabilization	-5,000,000	0	-5,000,000	0	0	0.0
FY 25-26 BA7 HRSN & reentry services	-3,989,194	-810,485	-236,789	0	-2,941,920	0.0
FY 24-25 R10 3rd party pay for nursing	-3,791,834	-947,958	0	0	-2,843,876	0.0
FY 25-26 R9 Provider rates	-3,789,154	-1,133,482	-762,495	0	-1,893,177	0.0
FY 25-26 R11 OCL benefits	-2,442,608	-1,081,304	0	0	-1,361,304	0.0
FY 24-25 Stabilize case management	-2,156,548	-258,705	0	0	-1,897,843	-2.0
FY 25-26 BA12 Transport true up	-1,659,650	-497,895	-331,930	0	-829,825	0.0
FY 25-26 R10 HAS fee admin & refinance	-990,438	0	-495,219	0	-495,219	0.3
HB 22-1302 Practice transformation	-610,441	-305,221	0	0	-305,220	-2.5
FY 25-26 R13 Contract true up	-340,000	-170,000	0	0	-170,000	0.0
FY 24-25 R9 Access to benefits	-307,039	-153,520	0	0	-153,519	-1.0
SB 25-183 Pregnancy-related services	-286,250	1,476,896	-41,650	0	-1,721,496	0.0
SB 25-308 HRSN & reentry services	-102,460	0	-51,230	0	-51,230	0.0
FY 25-26 Update payment rules	-94,298	-28,289	-6,601	0	-59,408	0.0
FY 24-25 BA7 Transport credentials	-32,317	-9,695	-6,463	0	-16,159	-0.5
HB 25-1328 Direct care workers	-30,036	16,415	0	0	-46,451	0.5

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 25-26 R8 IT administration	-11,446	-1,145	-590	0	-9,711	1.4
FY 25-26 BA17 Personal service reduction	-10,573	-4,586	-701	0	-5,286	0.0
<b>Total</b>	<b>\$33,382,050</b>	<b>\$13,219,353</b>	<b>-\$4,075,326</b>	<b>-\$1,652,006</b>	<b>\$25,890,029</b>	<b>-2.6</b>

# Higher Education

The Department is responsible for higher education and vocational training programs in the state. The Colorado Commission on Higher Education (CCHHE) serves as the central policy and coordinating board for the Department, which includes oversight of financial aid programs. This department includes the State Historical Society (History Colorado), which manages museums, distributes grants, and supports historic preservation.

## Department of Higher Education

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation	\$6,402,401,731	\$1,672,859,536	\$3,428,509,235	\$1,274,280,053	\$26,752,907	28,034.6
Long Bill supplemental	-8,159,957	80,000	-8,239,957	0	0	0.0
<b>FY 2025-26 Adjusted Appropriation</b>	<b>\$6,394,241,774</b>	<b>\$1,672,939,536</b>	<b>\$3,420,269,278</b>	<b>\$1,274,280,053</b>	<b>\$26,752,907</b>	<b>28,034.6</b>
<b>Changes from FY 2025-26 Appropriation</b>						
IHE funding and tuition	\$160,861,652	\$0	\$160,861,652	\$0	\$0	0.0
Prior year actions	31,642,938	10,893,450	9,263,038	11,494,059	-7,609	-2.0
Financial aid caseload	2,186,802	2,186,802	0	0	0	0.0
Employee compensation common policies	1,120,454	313,199	910,711	0	-103,456	0.0
FLC Native American tuition waiver	796,634	796,634	0	0	0	0.0
FY 2023-24 funding formula data correction	441,656	220,828	0	220,828	0	0.0
DHE fiscal staff	146,673	146,673	0	0	0	1.8
Perinatal Data Link project	125,000	125,000	0	0	0	0.0
Eliminate private and proprietary financial aid	-14,171,101	-14,171,101	0	0	0	0.0
Program reductions	-8,068,687	-4,424,824	0	-3,643,863	0	-0.5
Operating common policies	-5,653,119	-1,840,207	-745,184	-3,067,728	0	0.9
Technical adjustments	-4,353,038	61,325	-1,432,187	-2,982,176	0	535.7
HC collections care and storage	-683,838	-683,838	0	0	0	0.0
<b>Total FY 2026-27 Long Bill Appropriation</b>	<b>\$6,558,633,800</b>	<b>\$1,666,563,477</b>	<b>\$3,589,127,308</b>	<b>\$1,276,301,173</b>	<b>\$26,641,842</b>	<b>28,570.5</b>
\$ Change from prior year	\$164,392,026	-\$6,376,059	\$168,858,030	\$2,021,120	-\$111,065	535.9
% Change from prior year	2.6%	-0.4%	4.9%	0.2%	-0.4%	1.9%

Changes are assumed to be ongoing unless otherwise noted.

# Description of Recommended Changes

## FY 2025-26

### Long Bill supplemental:

- **Institution tuition true-up:** The bill includes a net decrease of \$19.6 million cash funds for adjustments to appropriations for tuition across all governing boards based on updated estimates.
- **Institution student fees true-up:** The bill includes a net increase of \$11.3 million cash funds for adjustments to informational appropriations for student fees across all governing boards based on updated estimates.
- **Perinatal Data Linkage Project:** The bill includes \$80,000 General Fund, for FY 2025-26 only, to restore funding for the Perinatal Substance Use Data Linkage project pursuant to Section 27-80-121, C.R.S.
- **Footnote true-up:** The bill includes a technical true-up for an amount included in footnote 25 related to a transfer from the University of Colorado School of Medicine to the Department of Health Care Policy and Financing.

## FY 2026-27

**IHE funding and tuition:** The bill includes adjustments for institutions of higher education (IHEs) from state funding and tuition.

Year 1: An increase of \$160.9 million cash funds from tuition.

*State funding from General Fund:* The bill includes the restoration of the supplemental decrease for FY 2025-26 for higher education institutions and no additional state funding. The restoration of the supplemental decrease totals \$18.6 million, including \$9.5 million General Fund and is reflected in prior year actions.

*Tuition:* Statute specifies that tuition rate assumptions are identified in Long Bill footnotes. Tuition rates for resident undergraduate students are capped at 3.5 percent for all institutions, except that: (1) the Community College System may increase tuition 5.0 percent; (2) the University of Colorado at Colorado Springs may discontinue its lower division tuition structure; and (3) Western Colorado University may establish a separate tuition rate structure for its new nursing program. The footnote also assumes that tuition for nonresident students at institutions where the state pays a portion of nonresident tuition (Fort Lewis College) will not increase by more than 5.0 percent.

*COF:* The appropriation includes a budget neutral adjustment that increases the College Opportunity Fund (COF) by \$17,940,096 and decreases state funding provided through fee-for-service contracts by the same amount. The COF stipend is set at \$116 per credit hour, or \$3,480 per year for a full-time, full-year (30-credit hour) student (no change from FY 2025-26) for 120,561.5 resident undergraduate FTE. The balance of state funding for institutions is provided through fee-for-service contracts.

**Prior year actions:** The bill includes adjustments for prior year legislation and budget actions.

### Prior year actions

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 25-26 IHE funding and tuition	\$18,622,144	\$9,501,916	\$0	\$9,120,228	\$0	0.0
Fitzsimmons COP	10,304,490	1,021,872	9,282,618	0	0	0.0
FY 25-26 S2 LPFFS Reductions	6,027,800	3,013,900	0	3,013,900	0	0.0
Limited gaming revenue true-up	582,166	0	582,166	0	0	0.0
History Colorado COP	302,156	302,156	0	0	0	0.0
FY 25-26 Fourth Year Innovation Pilot	264,615	264,615	0	0	0	0.7
FY 25-26 GF offset for Foster Stud overexpend	226,429	226,429	0	0	0	0.0
CO Geological Survey	93,907	25,961	67,946	0	0	0.0
FY 25-26 OIT Real time billing	24,520	0	24,520	0	0	0.0
History Colorado COP sequestration	6,512	0	6,512	0	0	0.0
FY 25-26 Financial aid staff	1,058	1,058	0	0	0	0.0
SB 21-215 Open ed resources	-1,112,677	-1,112,677	0	0	0	-1.0
FY 25-26 Care Forward	-1,026,396	0	-1,026,396	0	0	0.0
FY 25-26 Financial aid caseload	-870,380	-870,380	0	0	0	0.0
FY 25-26 Lease Purch Acad Fac true-up	-537,430	-464,821	392,212	-464,821	0	0.0
HB 26-1176 Mod Fourth-yr Inn Pilot	-323,059	-323,059	0	0	0	-0.4
SB 21-185 Supp educ workforce CO	-239,778	-119,889	0	-119,889	0	0.0
FY 25-26 Foster Stud Prog overexpend	-226,429	-226,429	0	0	0	0.0
SB 24-104 Career, tech ed, apprent	-110,718	-55,359	0	-55,359	0	0.0
SB 22-181 BH-care workforce	-93,409	-93,409	0	0	0	-1.0
FY 25-26 Restore perinatal data link	-80,000	-80,000	0	0	0	0.0
HB 23-1220 Stud RepubRiv Econ Imp	-66,983	-66,983	0	0	0	0.0
HC Hist tax credit adjust	-61,531	-61,531	0	0	0	0.0
HB 24-1392 Cap early HS grad pilot	-30,958	-30,958	0	0	0	-0.3
FY 25-26 HLD Supplemental	-15,236	54,538	-62,165	0	-7,609	0.0
HB 24-1364 Ed-based workforce readiness	-10,000	-10,000	0	0	0	0.0
National Western Center COP	-4,375	0	-4,375	0	0	0.0
SB 23-219 Supp stud and fac schools	-3,500	-3,500	0	0	0	0.0
<b>Total</b>	<b>\$31,642,938</b>	<b>\$10,893,450</b>	<b>\$9,263,038</b>	<b>\$11,494,059</b>	<b>-\$7,609</b>	<b>-2.0</b>

**Financial aid caseload:** The bill includes caseload adjustments for specified financial aid programs including the Foster Students Program and the Homeless Students Program.

Year 1: A net increase of \$2.2 million General Fund, including \$1.6 million for the Foster Students Program and \$0.6 million for the Homeless Students Program.

**Employee compensation common policies:** The bill includes adjustments for employee compensation common policies.

### Employee compensation common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Health, life, and dental	\$1,002,181	\$280,256	\$744,448	\$0	-\$22,523	0.0
Unfunded liability amortization payments	200,893	58,907	181,190	0	-39,204	0.0
Step plan	247,924	81,681	138,554	0	27,689	0.0
Paid family and medical leave insurance	9,040	2,651	8,153	0	-1,764	0.0
PERA direct distribution	4,059	3,172	19,732	0	-18,845	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Short-term disability	1,406	412	1,269	0	-275	0.0
Shift differential	1	0	1	0	0	0.0
Vacancy savings	-345,050	-113,880	-182,636	0	-48,534	0.0
<b>Total</b>	<b>\$1,120,454</b>	<b>\$313,199</b>	<b>\$910,711</b>	<b>\$0</b>	<b>-\$103,456</b>	<b>0.0</b>

**Fort Lewis College Native American tuition waiver:** The bill includes an adjustment for the Fort Lewis College Native American tuition waiver.

Year 1: An increase of \$0.8 million General Fund.

**FY 2023-24 Funding formula data correction:** The bill includes funding to correct a data error from FY 2023-24 for Colorado Mesa University (Mesa) and the University of Northern Colorado (UNC).

Year 1: A net increase of \$0.2 million General Fund, including \$190,059 for Mesa and \$30,769 for UNC.

**DHE fiscal staff:** The bill includes funding for two fiscal team positions including an accountant and a compliance manager.

Year 1: An increase of \$146,673 General Fund and 1.8 FTE.

Year 2: An adjusted appropriation of \$144,211 General Fund and 2.0 FTE.

**Perinatal Data Link project:** The bill includes the restoration of funding for the Perinatal Substance Use Data Linkage project at a reduced amount from the cost identified in the S.B. 24-047 (Prevention of Substance Use Disorders) fiscal note.

Year 1: An increase of \$125,000 General Fund.

**Eliminate private and proprietary financial aid:** The bill includes an ongoing base reduction for the elimination of financial aid amounts provided for students at private and proprietary institutions of higher education.

Year 1: A decrease of \$14.2 million General Fund.

**Program reductions:** The bill includes program reductions.

### Program reductions

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Limited Purpose FFS reductions						
Cyber Coding	-\$5,100,000	-\$2,550,000	\$0	-\$2,550,000	\$0	0.0
Food Systems Advisory Council	-151,068	-75,534	0	-75,534	0	0.0
Improve Healthcare Older Col	-1,949,698	-974,849	0	-974,849	0	0.0
Career Pathways	-86,960	-43,480	0	-43,480	0	0.0
<b>Subtotal: LPFFS reductions</b>	<b>-7,287,726</b>	<b>-3,643,863</b>	<b>0</b>	<b>-3,643,863</b>	<b>0</b>	<b>0.0</b>
Reduce teacher mentor grants	-\$651,111	-\$651,111	\$0	\$0	\$0	-0.5
WICHE-PSEP program reduction	-84,850	-84,850	0	0	0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Eliminate online benefits platform	-45,000	-45,000	0	0	0	0.0
<b>Total</b>	<b>-\$8,068,687</b>	<b>-\$4,424,824</b>	<b>\$0</b>	<b>-\$3,643,863</b>	<b>\$0</b>	<b>-0.5</b>

**Operating common policies:** The bill includes adjustments for operating common policies.

#### Operating common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
IT accessibility	\$183,748	\$20,000	\$163,748	\$0	\$0	0.9
State accounting and payroll system (CORE)	143,361	53,100	4,520	85,741	0	0.0
Legal services	81,753	-7,861	89,614	0	0	0.0
Workers' compensation	23,305	0	17,209	6,096	0	0.0
Indirect cost assessment	-4,948,581	-1,792,114	0	-3,156,467	0	0.0
Risk management & property	-754,278	0	-751,180	-3,098	0	0.0
Office of Information Technology services	-348,220	-79,125	-269,095	0	0	0.0
Capitol Complex leased space	-34,207	-34,207	0	0	0	0.0
<b>Total</b>	<b>-\$5,653,119</b>	<b>-\$1,840,207</b>	<b>-\$745,184</b>	<b>-\$3,067,728</b>	<b>\$0</b>	<b>0.9</b>

**Technical adjustments:** The bill includes technical adjustments.

#### Technical adjustments

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
History Colorado central approp restructure	\$0	\$0	\$0	\$0	\$0	0.0
GF-GFE true-up	0	0	0	0	0	0.0
Institution faculty/staff FTE true-up	0	0	0	0	0	535.7
Co First Customized Job Training true-up	-3,043,501	0	0	-3,043,501	0	0.0
Tobacco MSA revenue adjustment	-999,065	0	-999,065	0	0	0.0
Lease Purchase of Academic Facilities true-up	-269,562	61,325	-392,212	61,325	0	0.0
Eliminate lease termination appropriation	-40,910	0	-40,910	0	0	0.0
<b>Total</b>	<b>-\$4,353,038</b>	<b>\$61,325</b>	<b>-\$1,432,187</b>	<b>-\$2,982,176</b>	<b>\$0</b>	<b>535.7</b>

**History Colorado collections care and storage:** The bill includes adjustments for the History Colorado north storage facility energy performance contracts. This includes eliminating funding for Capitol Complex Leased Space associated with the 1881 Pierce Building.

Year 1: A decrease of \$683,838 General Fund.

# Human Services

The Department of Human Services administers and supervises most non-medical public assistance and welfare programs in the state.

## Department of Human Services

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation	\$2,696,933,511	\$1,332,685,386	\$463,704,148	\$235,357,775	\$665,186,202	5,536.3
<b>Changes from FY 2025-26 Appropriation</b>						
Adoption and guardianship	\$27,206,557	\$14,605,014	\$1,077,515	\$0	\$11,524,028	0.0
Employee compensation common policies	11,817,866	7,380,127	404,688	4,752,774	-719,723	0.0
HSMA funding for SNAP admin	10,960,867	-1,153,000	37,999,852	0	-25,885,985	0.0
Patient revenues	3,094,015	-3,881,173	1,327,574	5,647,614	0	0.0
Nutrition education	2,500,000	0	2,500,000	0	0	0.0
Contracted competency beds	2,080,500	2,080,500	0	0	0	0.0
Technical adjustments	865,378	865,378	5,022	-5,022	0	0.0
SNAP errors	606,937	0	417,270	0	189,667	6.0
Youth services radios	327,600	327,600	0	0	0	0.0
Consent decree inflation	280,545	280,545	0	0	0	0.0
Staff training cash fund	118,922	0	118,922	0	0	0.0
Reduce collab management	0	-1,400,000	1,400,000	0	0	0.0
County Block Grant Support Fund	0	0	0	0	0	0.0
BHA funding realignment	0	0	0	0	0	1.0
BHA admin refinance	0	-1,000,000	1,000,000	0	0	0.0
OCCF General Fund refinance	0	-1,250,000	1,250,000	0	0	0.0
Prior year actions	-29,684,481	-8,068,713	-7,514,792	-4,145,950	-9,955,026	34.1
Operating common policies	-21,846,379	-2,652,032	-1,131,989	-13,088,703	-4,973,655	0.9
Impacts driven by other agencies	-5,980,928	0	-6,080,928	0	100,000	0.0
Child welfare funding adjustments	-5,516,580	-5,516,580	0	0	0	0.0
Reduce administrative costs	-4,102,729	-3,592,440	-43,916	-22,700	-443,673	-4.0
CBMS modifications	-1,823,210	-1,823,210	0	0	0	0.0
Reduce transitional jobs	-1,304,502	-1,304,502	0	0	0	0.0
Reduce county tax base relief	-1,100,000	-1,100,000	0	0	0	0.0
Eliminate hospital peer support	-649,260	-649,260	0	0	0	0.0
Reduce child abuse hotline	-629,000	-629,000	0	0	0	0.0
Reduce HCA case management	-531,629	-531,629	0	0	0	0.0
Reduce diaper distribution	-500,000	-500,000	0	0	0	0.0
Reduce Tony Grampas	-400,000	-400,000	0	0	0	0.0
Reduce Summer EBT	-360,066	-180,033	0	0	-180,033	0.0
Reduce NGRI transition services	-300,000	-300,000	0	0	0	0.0
Reduce Reg Center record system	-290,000	0	0	-290,000	0	0.0
Reduce care coordination	-250,000	-250,000	0	0	0	0.0
Reduce foster parent training	-150,000	-150,000	0	0	0	0.0
Reduce Circle program	-150,000	-150,000	0	0	0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Eliminate HIMS funding	-146,611	-125,000	0	-21,611	0	0.0
Reduce 2-1-1	-60,000	-60,000	0	0	0	0.0
<b>Total FY 2026-27 Long Bill Appropriation</b>	<b>\$2,681,017,323</b>	<b>\$1,321,557,978</b>	<b>\$496,433,366</b>	<b>\$228,184,177</b>	<b>\$634,841,802</b>	<b>5,574.3</b>
\$ Change from prior year	-\$15,916,188	-\$11,127,408	\$32,729,218	-\$7,173,598	-\$30,344,400	38.0
% Change from prior year	-0.6%	-0.8%	7.1%	-3.0%	-4.6%	0.7%

Changes are assumed to be ongoing unless otherwise noted.

## Description of Recommended Changes

**Adoption and guardianship:** The bill increases funding for adoption and relative guardianship assistance to align with the most recent expenditure projections. The program provides financial assistance to families that meet federal eligibility criteria. The Department is authorized to over-expend the appropriation as necessary to provide benefits to all families who qualify, and has over-spent for the last three fiscal years.

Year 1: \$27.2 million total funds, including \$14.6 million General Fund, \$1.1 million local funds, and \$11.5 million federal funds.

**Employee compensation common policies:** The bill includes a net increase of \$11.8 million for employee compensation common policies. A common policy refers to general policies applied consistently to all departments.

### Employee compensation common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Health, life, and dental	\$13,248,131	\$6,490,632	\$1,005,992	\$3,625,793	\$2,125,714	0.0
Step plan	4,140,930	2,865,976	283,025	536,269	455,660	0.0
PERA direct distribution	124,986	84,366	0	40,620	0	0.0
Salary survey	394	357	0	37	0	0.0
Vacancy savings	-3,178,026	-1,887,362	-362,750	-43,752	-884,162	0.0
Shift differential	-1,635,064	1,669,934	-528,041	-43,302	-2,733,655	0.0
Unfunded liability amortization payments	-839,813	-1,752,638	6,142	605,618	301,065	0.0
Paid family and medical leave insurance	-37,794	-78,870	277	27,252	13,547	0.0
Short-term disability	-5,878	-12,268	43	4,239	2,108	0.0
<b>Total</b>	<b>\$11,817,866</b>	<b>\$7,380,127</b>	<b>\$404,688</b>	<b>\$4,752,774</b>	<b>-\$719,723</b>	<b>0.0</b>

**HSMA funding for SNAP administration:** The bill includes an increase of cash funds from the Healthy School Meals for All (HSMA) Program Fund to offset lost federal funds for the administration of the Supplemental Nutrition Assistance Program (SNAP).

- Year 1: \$11.0 million total funds, including -\$1.2 million General Fund, \$38.0 million cash funds, and -\$25.9 million federal funds. Included in this amount is a one-time refinance of \$0.7 million General Fund with an equal amount of cash funds for the Colorado Benefits Management System (CBMS).

- Year 2: \$14.3 million total funds, including -\$0.9 million General Fund, \$49.8 million cash funds, and -\$34.5 million federal funds.

Additionally, the bill creates three new line items to fund new State responsibilities. The amounts shown below are included in the totals above.

- *SNAP Outreach Plan*: \$1,248,414 cash funds
- *County Cost Allocation Plans – Fed Pass-through*: \$3,560,382 cash funds
- *County Administration Overspend*: \$6,339,571 cash funds

Federal H.R. 1 was signed into law on July 4, 2025. The law contains several provisions that affect the SNAP. These include changes to SNAP eligibility, benefits, and program administration. The changes to program administration have the most immediate fiscal impact on the state. Beginning federal fiscal year 2026-27, the federal government will cover 25.0 percent of the administrative costs. The additional 25.0 percent of SNAP administration costs will be fully borne by the state.

**Patient revenues:** The bill includes adjustments to align with the most recent projections for patient revenues received by the state hospitals and mental health transitional living homes. Patient revenues include private insurance, Medicare, and Medicaid.

Year 1: \$3.1 million total funds, including a decrease of \$3.9 million General Fund, offset by increases of \$1.3 million cash funds and \$5.6 million reappropriated funds. Cash funds include Medicare and private insurance, and reappropriated funds reflect Medicaid payments received from the Department of Health Care Policy and Financing.

**Nutrition education:** The bill increases cash funds for nutrition education. The bill also includes a footnote directing the Department to contract with a not-for-profit to provide nutrition education programming.

Year 1: \$2.5 million from the Healthy School Meals for All Program Fund.

**Contracted competency beds:** The bill increases funding for inpatient competency restoration beds at private hospitals. Funding is expected to support an additional 5 contracted beds and 15 patients per year.

Year 1: \$2.1 million General Fund.

**Technical adjustments:** The bill includes a net increase of \$865,378 for lease adjustments and a net-neutral fund source correction from S.B. 25-197 (Tony Grampsas).

**SNAP errors:** The bill increases funding for the creation of a SNAP payment accuracy team.

Year 1: \$0.6 million total funds and 6.0 FTE. This includes \$0.4 million from the Healthy School Meals for All Program Fund and \$0.2 million federal funds.

A new cost sharing methodology will be implemented for SNAP benefits beginning federal fiscal year 2027-28 as a result of H.R. 1. The state share of SNAP benefits is based on the state's Payment Error Rate (PER). The cost sharing schedule is as follows:

- for an error rate of less than 6.0 percent, the federal government covers 100.0 percent of SNAP benefits;
- for an error rate between 6.0-7.9 percent, the federal government covers 95.0 percent and the state covers 5.0 percent;
- for an error rate between 8.0-9.9 percent, the federal government covers 90.0 percent and the state covers 10.0 percent; and
- for an error rate of 10.0 percent or greater, the federal government covers 85.0 percent and the state covers 15.0 percent.

The most recently reported PER for Colorado is 9.97 percent. Assuming the PER does not change, the state would be responsible for 10.0 percent of the cost of SNAP benefits. Based on the average amount of SNAP benefits paid in the first quarter of FY 2025-26, SNAP benefits paid to Colorado recipients will total \$1.4 billion for the current fiscal year. Assuming the error rate and benefits payments remain the same, the state would be required to pay \$108.4 million in state fiscal year 2027-28. In FY 2028-29, assuming the same benefits payments and error rate, the state would be responsible for the full \$144.6 million.

**Youth services radios:** The bill increases funding for radios at Division of Youth Services (DYS) facilities. The Department does not have a regular replacement plan and current radios are no longer supported by the manufacturer. Costs support radio replacements for two facilities each year. The radios for each facility will be replaced once every five years on an ongoing basis.

Year 1: \$0.3 million General Fund.

**Consent decree inflation:** The bill includes an annual inflationary adjustment for fines from a consent decree related to wait times for inpatient competency restoration services.

Year 1: \$0.3 million General Fund.

**Staff training cash fund:** The bill increases cash fund spending authority to reflect an award from the Sex Offender Management Board.

- Year 1: \$0.1 million cash funds from the Sex Offender Surcharge Fund.
- Year 2: \$18,922 cash funds.

Funding includes a one-time award of \$100,000 for the development of a data management system, and \$18,922 on an ongoing basis for DYS staff trainings. The data management system is expected to evaluate youth characteristics to inform service delivery at DYS facilities.

**Reduce collaborative management:** The bill includes a net-zero change for Collaborative Management Programs (CMPs).

- Year 1: -\$1.4 million General Fund offset by an equal increase of cash funds from the Collaborative Management Cash Fund.
- Year 2: -\$700,000 General Fund partially offset by an increase of \$400,000 cash funds.
- Year 3: -\$700,000 General Fund.

House Bill 23-1249 (Reduce Justice-involvement for Young Children) included a one-time appropriation of \$2.0 million General Fund to the Collaborative Management Cash Fund. The appropriation was intended to support counties creating CMPs for the first time. The appropriation was under-utilized because only fourteen counties were eligible and one applied.

This budget action uses the outstanding fund balance to offset General Fund decreases for two fiscal years. The action reflects an ongoing decrease of funding available to counties for CMPs by the third fiscal year. CMPs are intended to improve collaboration across local agencies to decrease costs as well as child welfare and juvenile justice involvement.

**County Block Grant Support Fund:** The bill includes a net-zero reallocation of federal Temporary Assistance for Needy Families (TANF) funds from state administration to the County Block Grant Support Fund.

Year 1: A net-zero shift of \$0.3 million federal funds.

The County Block Grant Support Fund provides funding to counties that have exhausted their TANF block grant allocation and reserves and who face local or statewide natural disasters or other emergencies. The only source of revenue for the Fund are appropriations from the General Assembly. Statute directs the Department to work with the Works Allocation Committee (WAC) to establish criteria and procedure by which the money in the Fund is allocated.

**BHA funding realignment:** The bill includes net-zero adjustments to the line item structure for the Behavioral Health Administration (BHA). The changes are intended to increase transparency into the administrative costs of the division, and realign the budget structure with the Behavioral Health Administration Service Organization (BHASO) contracting structure.

**BHA administrative refinance:** The bill includes a one-time, net-zero refinance of General Fund from cash funds for administrative costs in the BHA. Cash fund revenues are not expected to be sufficient to offset General Fund costs on an ongoing basis.

Year 1 only: -\$1.0 million General Fund, offset by \$0.5 million increases from the Persistent Drunk Driver Cash Fund and the Cigarette, Tobacco Product, and Nicotine Product Use by Minors Fund.

**OCF General Fund refinance:** The bill includes a refinance of General Fund with an equal amount of spending authority from the Older Coloradans Cash Fund in the *State Funding for Senior Services* line item.

- Year 1: A decrease of -\$1.3 million General Fund and an increase of \$1.3 million from the Older Coloradans Cash Fund.
- Year 2: A decrease of -\$0.3 million General Fund and an increase of \$0.3 million from the Older Coloradans Cash Fund.

The *State Funding for Senior Services* line item has reverted General Fund and cash funds in the last five years. The line item supports the state's 16 Area Agencies on Aging through grants for community-based services to individuals ages 60 and older, including meals, transportation, in-home assistance, and legal services. The five-year average reversions are \$196,077 General Fund and \$1.9 million cash funds. In FY 2024-25, the Older

Coloradans Cash Fund saw a \$1.1 million net cash increase. The Department is projecting positive cash flow for FY 2025-26 and FY 2026-27.

**Prior year actions:** The bill includes a net decrease of \$29.7 million total funds for the impact of prior year budget decisions and legislation.

**Prior year actions**

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SB 25-169 Restaurant meals	\$242,613	\$121,307	\$0	\$0	\$121,306	0.5
FY 25-26 Fort Logan Gwing	232,243	232,243	0	0	0	1.2
SB 25-235 Repeal temp care	199,877	182,568	0	0	17,309	0.0
HB 25-1271 Federal foster benefits	109,179	109,179	0	0	0	1.0
FY 25-26 HCPF convert to FTE	92,016	43,695	0	0	48,321	0.0
FY 25-26 fed fee increase	64,963	10,394	0	40,927	13,642	0.0
HB 24-1408 Adoption assistance	21,596	9,718	2,160	0	9,718	0.0
FY 25-26 Step Plan	11,249	11,249	0	0	0	0.0
FY 19-20 Salesforce	6,724	780	0	5,944	0	0.0
SB 24-008 Kinship foster care	0	5,516,580	-5,516,580	0	0	0.0
SB 25-308 Medicaid housing & reentry serv	0	0	0	0	0	0.0
FY 25-26 BHA admin refinance	0	1,000,000	-1,000,000	0	0	0.0
SB 25-238 Repeal school BH screens	0	0	0	0	0	0.0
FY 25-26 Supplemental annualization	-24,042,051	-10,043,775	-731,159	-4,192,821	-9,074,296	31.2
FY 25-26 Salary survey	-2,290,824	-2,290,824	0	0	0	0.0
FY 25-26 HCPF county admin/CBMS	-1,687,943	-790,287	-72,412	0	-825,244	0.0
HB 22-1283 Youth mental health	-1,250,000	-1,250,000	0	0	0	0.0
HB 25-1146 Juvenile detention cap	-325,870	-325,870	0	0	0	0.0
SB 24-117 Eating disorder treat	-314,130	-314,130	0	0	0	0.0
FY 25-26 Temp emergency care	-199,877	-182,568	0	0	-17,309	0.0
HB 25-1279 TANF state data	-154,000	0	0	0	-154,000	0.0
HB 25-1159 Child support recs	-137,250	-46,665	0	0	-90,585	0.0
FY 25-26 NSL CF true-up	-100,000	0	-100,000	0	0	0.0
HB 22-1326 Fentanyl	-52,963	0	-52,963	0	0	0.0
HB 25-1154 Disability comm services	-40,105	0	-40,105	0	0	0.0
FY 25-26 Transitional homes	-39,220	-39,220	0	0	0	0.2
SB 23-039 Incarcerated parent time	-21,600	-17,712	0	0	-3,888	0.0
HB 25-1188 Mandatory reporter	-5,375	-5,375	0	0	0	0.0
FY 25-26 Behavioral health licensing	-3,733	0	-3,733	0	0	0.0
<b>Total</b>	<b>-\$29,684,481</b>	<b>-\$8,068,713</b>	<b>-\$7,514,792</b>	<b>-\$4,145,950</b>	<b>-\$9,955,026</b>	<b>34.1</b>

**Operating common policies:** The bill includes a net decrease of \$21.8 million for operating common policies.

**Operating common policies**

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Workers' compensation	\$2,119,273	\$1,316,497	\$0	\$802,776	\$0	0.0
State accounting and payroll system (CORE)	760,310	410,244	0	350,066	0	0.0
Capitol Complex leased space	179,971	75,868	0	104,103	0	0.0
Digital trunked radios	32,884	32,884	0	0	0	0.0
Office of Information Technology services	-10,415,972	-438,593	0	-9,977,379	0	0.9

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Indirect costs	-9,460,317	0	-1,281,866	-3,204,796	-4,973,655	0.0
Risk management & property	-3,042,032	-2,641,847	0	-400,185	0	0.0
Administrative law judge services	-927,079	-686,062	0	-241,017	0	0.0
Legal services	-768,297	-560,089	0	-208,208	0	0.0
Vehicle lease payments	-325,120	-160,934	0	-164,186	0	0.0
<b>Total</b>	<b>-\$21,846,379</b>	<b>-\$2,652,032</b>	<b>-\$1,281,866</b>	<b>-\$12,938,826</b>	<b>-\$4,973,655</b>	<b>0.9</b>

**Impacts driven by other agencies:** The bill includes a net decrease of \$6.0 million for budget actions in other state agencies.

#### Impacts driven by other agencies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Early Childhood Title XX alignment	\$100,000	\$0	\$0	\$0	\$100,000	0.0
Judicial Title IV-E alignment	-6,080,928	0	-6,080,928	0	0	0.0
<b>Total</b>	<b>-\$5,980,928</b>	<b>\$0</b>	<b>-\$6,080,928</b>	<b>\$0</b>	<b>\$100,000</b>	<b>0.0</b>

**Child welfare funding adjustments:** The bill realigns appropriations between several line items in the Division of Child Welfare to more closely align with recent expenditures, and decreases funding to reflect the removal of payments for non-certified kinship foster care.

#### Child welfare funding adjustments

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Child Welfare Services	\$7,475,000	\$7,475,000	\$0	\$0	\$0	0.0
Family and Children's Programs	-6,700,000	-6,700,000	0	0	0	0.0
Non-certified kinship foster care	-5,516,580	-5,516,580	0	0	0	0.0
Hotline for Child Abuse and Neglect	-450,000	-450,000	0	0	0	0.0
Training	-250,000	-250,000	0	0	0	0.0
Foster and Adoptive Parent Recruitment, Training, and Support	-75,000	-75,000	0	0	0	0.0
<b>Total</b>	<b>-\$5,516,580</b>	<b>-\$5,516,580</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**Reduce administrative costs:** The bill includes reductions for administrative costs in multiple line items provided in the table below. Reductions for health, life, dental are one-time, while other reductions are ongoing.

#### Reduce administration

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Health, life and dental	-\$2,177,791	-\$1,683,783	-\$43,916	-\$22,700	-\$427,392	0.0
Division of Child Welfare	-982,771	-966,490	0	0	-16,281	0.0
Behavioral Health Administration	-551,200	-551,200	0	0	0	-4.0
Office of Adults, Aging and Disability Services	-390,967	-390,967	0	0	0	0.0
<b>Total</b>	<b>-\$4,102,729</b>	<b>-\$3,592,440</b>	<b>-\$43,916</b>	<b>-\$22,700</b>	<b>-\$443,673</b>	<b>-4.0</b>

**CBMS modifications:** The bill reduces funding to the *IT Systems Interoperability* line item to partially offset the cost of an IT Capital request for CBMS.

Year 1: -\$1.8 million General Fund.

The Departments of Human Services and Health Care Policy and Financing are currently assessing how to best modernize the County Benefits Management System (CBMS) to create a more holistic and integrated system.

**Reduce transitional jobs:** The bill reduces funding for the Transitional Jobs Program by half.

Year 1: -\$1.3 million General Fund.

The Transitional Jobs Program has existed since FY 2013-14 to help low-income adults facing barriers to employment re-enter the workforce via wage-paid work, job skills training, and supportive services. The program prioritizes serving noncustodial parents, veterans, and displaced workers over the age of 50. General criteria for program eligibility includes being lawfully in the United States and a resident of Colorado, at least 18 years of age, have a household income less than 150 percent of the federal poverty level, and be unemployed or underemployed. Underemployment is defined as working no more than 20 hours per week for at least four consecutive weeks.

**Reduce county tax base relief:** The bill reduces funding to the county tax base relief program in FY 2026-27 only.

Year 1 only: -\$1.1 million General Fund.

The county tax base relief program provides funding that assists counties with the highest costs and lowest property tax values in meeting their obligations for the local match required by the State for certain public assistance programs. These obligations include: county responsibility for maintenance of effort expenditures for the Temporary Assistance to Needy Families (TANF) Block Grant, the county 20.0 percent share for food assistance and Medicaid administration, the county share for child welfare services expenditures, and the county share for adult assistance programs.

**Eliminate hospital peer support:** The bill eliminates funding for peer services at the state hospitals. Peer services have been under-utilized due to high patient acuity and workforce shortages.

Year 1: -\$0.6 million General Fund.

**Reduce child abuse hotline:** The bill reduces funding for the child abuse and neglect hotline due to recent under-expenditures. Counties receive reports of child abuse and neglect from mandated reporters and the general public through the hotline. The reduction is not expected to impact access to services.

Year 1: -\$0.6 million General Fund.

**Reduce HCA case management:** The bill reduces funding for Home Care Allowance (HCA) case management.

Year 1: -\$0.5 million General Fund.

The HCA program provides financial assistance to disabled Coloradans, ages five years and older, to pay a home care provider for services. Effective April 2022, the State Board of Human Services approved a rule change that makes the Home Care Allowance program a program of last resort for people with disabilities seeking home care

services in order to divert them to more robust benefits available through other home care programs. The new rule requires case managers to evaluate clients for Home and Community Based Services (HCBS) functional eligibility before considering HCA eligibility. As a result of this rule, HCA caseload has decreased to 28 individuals in FY 2025-26, a 96.3 percent decline from FY 2021-22.

**Reduce diaper distribution:** The bill reduces funding for the Colorado Diaper Distribution Program.

Year 1: -\$0.5 million General Fund.

The Colorado Diaper Distribution Program was created in by S.B. 21-027 (Emergency Supplies for Colorado Babies and Families) and provides funding to diaper distribution centers for the purchase of diapering essentials. Funding for this program is exclusively General Fund and discretionary. In FY 2024-25, the Department contracted with 11 diaper distribution centers and distributed a total of \$1.9 million in funding. These centers cover 56 of the 64 counties in the state. The Department reports that a total of 181,725 individuals were served by this program, but this figure does not represent unique individuals. A person may visit the same or different center over the course of a fiscal year.

**Reduce Tony Grampsas Youth Services Program:** The bill reduces funding for the Tony Grampsas Youth Services Program (TGYS). The program distributes grants intended to reduce youth crime, violence, and substance use.

Year 1: -\$0.4 million General Fund.

**Reduce Summer EBT:** The bill reduces funding for the Summer Electronic Benefits Transfer (EBT) program.

Year 1: -\$0.4 million total funds. This includes a decrease of -\$180,033 General Fund and an equal reduction in federal funds.

The majority of the savings will come from adjustments to the call center contract and are not anticipated to impact program benefits. The call center is used by Summer EBT participants to address benefits questions and to update their program information. Demand for the call center services is highest in the summer when the benefits are issued, but the winter months see a steep decline in call volumes.

**Reduce NGRI transition services:** The bill reduces funding for community transition services for people who are Not Guilty by Reason of Insanity (NGRI) based on recent under-expenditures. The reduction is not expected to impact access to services.

Year 1: -\$0.3 million General Fund.

**Reduce Regional Center record system:** The bill reduces funding for the Regional Centers electronic health records system.

Year 1: -\$0.3 million reappropriated funds from the Department of Health Care Policy and Financing and are an equal mixture of General Fund and federal Medicaid funds.

The electronic health records system is beyond its development phase and is currently in operations and maintenance. The reduction in funding is not anticipated to adversely impact service delivery, workload, or outcomes for the Regional Centers residents or operations.

**Reduce care coordination:** The bill reduces funding for care coordination in the BHA because actual expenditures were less than the appropriation in the first year of implementation. The appropriation is intended to support a care coordination contract for people transitioning out of hospitalization to community-based behavioral health services. The reduction is not expected to impact access to services.

Year 1: -\$0.3 million General Fund.

**Reduce foster parent training:** The bill reduces funding for foster parent training and recruitment due to recent under-expenditures. The reduction is not expected to impact access to services.

Year 1: -\$0.2 million General Fund.

**Reduce Circle program:** The bill reduces funding for the Circle program due to recent under-expenditures. The program provides substance use treatment, and has been underutilized since inpatient substance use became Medicaid-eligible. The reduction is not expected to impact access to services.

Year 1: -\$0.2 million General Fund.

**Eliminate HIMS funding:** The bill eliminates dedicated funding for the Health Information Management System (HIMS). The system coordinated patient revenues between the Department's 24/7 facilities. The reduction is not anticipated to impact access to services as this function can be absorbed within other systems.

Year 1: -\$0.1 million, including reductions of \$125,000 General Fund and \$21,611 reappropriated funds.

**Reduce 2-1-1:** The bill reduces funding for 2-1-1 due to recent under-expenditures. 2-1-1 is not operated by the state, but provides a single point of contact to connect with resources available through the State and county departments of human services. The reduction is not expected to impact access to services.

Year 1: -\$0.1 million General Fund.

# Judicial Department

The Judicial Department budget consists of the State Courts and Probation divisions and 11 independent agencies. The *State Courts and Probation* divisions (C&P) include: Supreme Court and Court of Appeals; Trial Courts, comprised of district courts, the Denver probate and juvenile courts, and all county courts except the Denver county court; Probation and Related Services; and State Courts Administration. The independent agencies include: the *Office of the State Public Defender* (OSPD); the *Office of the Alternate Defense Counsel* (OADC); the *Office of the Child's Representative* (OCR); the *Office of the Respondent Parents' Counsel* (ORPC); the *Office of the Child Protection Ombudsman* (OCPO); the *Independent Ethics Commission* (IEC); the *Office of Public Guardianship* (OPG); the *Colorado Commission on Judicial Discipline* (CCJD); the *Bridges of Colorado* (BRI); and the *Office of Administrative Services for Independent Agencies* (OASIA).

## Judicial Department

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation	\$1,166,630,211	\$891,784,092	\$205,297,690	\$65,123,429	\$4,425,000	5,725.1
Long Bill supplemental: footnote	0	0	0	0	0	0.0
FY 2025-26 Adjusted Appropriation	\$1,166,630,211	\$891,784,092	\$205,297,690	\$65,123,429	\$4,425,000	5,725.1
<b>Changes from FY 2025-26 Appropriation</b>						
Employee compensation common policies	\$19,385,745	\$20,975,967	-\$1,809,429	\$219,207	\$0	0.0
Prior year actions	7,802,861	7,319,336	2,518,628	-2,035,103	0	67.0
C&P Information technology infrastructure	6,753,750	0	6,753,750	0	0	0.0
OSPD & OADC CBI DNA misconduct impact	2,000,000	2,000,000	0	0	0	0.0
OADC Caseload increase	2,000,000	2,000,000	0	0	0	0.0
OSPD & IA technical adjustments	1,598,801	1,598,801	0	0	0	0.0
C&P Office of Atty Regulation Counsel	1,166,208	0	1,166,208	0	0	0.0
Operating common policies	1,154,384	2,497,063	-977,752	-364,927	0	0.9
C&P Language interpreters and translators	1,000,000	1,000,000	0	0	0	0.0
C&P Court, jury, court-appointed counsel, and vacated conviction costs	880,326	880,326	0	0	0	0.0
OSPD Staff for Aurora domestic violence docket	558,393	558,393	0	0	0	5.9
C&P Offender treatment and services	500,000	0	500,000	0	0	0.0
OSPD IT true-up	477,658	477,658	0	0	0	0.0
OSPD SB 25-024 correction	204,300	204,300	0	0	0	0.0
OPG Guardians for program expansion	150,832	150,832	0	0	0	2.0
C&P Ralph L. Carr Colorado Judicial Center	119,949	-1,337,545	1,406,654	50,840	0	0.0
IEC Add 0.5 FTE for investigator	57,272	57,272	0	0	0	0.5
C&P Statewide judicial security plan	56,646	0	56,646	0	0	0.7
C&P Technical adjustments	33,684	0	0	33,684	0	0.0
IEC IT accessibility maintenance contract	12,000	12,000	0	0	0	0.0
Attorney contractor rate adjustment	5	5	0	0	0	0.0
C&P Trial courts refinance	0	-1,982,997	1,982,997	0	0	0.0
C&P Probation programs refinance	0	-1,500,000	1,500,000	0	0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
C&P Family Violence Justice Grants refinance	0	-150,000	150,000	0	0	0.0
C&P DA mandated costs, Correctional Treatment Board, Sex Offender Management Board adjustments	-2,208,453	0	-121,347	-2,087,106	0	0.0
OCR Reduce court-appointed counsel	-871,124	-871,124	0	0	0	0.0
C&P Empty spending authority	-797,541	0	-400,000	-397,541	0	-7.0
ORPC Align appropriations with estimates	-720,316	-770,316	0	50,000	0	0.0
C&P Underfunded courthouse facility grants	-500,000	-500,000	500,000	-500,000	0	0.0
OSPD Admin & appellate lease	-492,479	-492,479	0	0	0	0.0
C&P Courthouse furnishings and infrastructure maintenance	-149,800	-1,216,600	1,066,800	0	0	0.0
<b>Total FY 2026-27 Long Bill Appropriation</b>	<b>\$1,206,803,312</b>	<b>\$922,694,984</b>	<b>\$219,590,845</b>	<b>\$60,092,483</b>	<b>\$4,425,000</b>	<b>5,795.1</b>
\$ Change from prior year	\$40,173,101	\$30,910,892	\$14,293,155	-\$5,030,946	\$0	70.0
% Change from prior year	3.4%	3.5%	7.0%	-7.7%	0.0%	1.2%

Changes are assumed to be ongoing unless otherwise noted.

## Description of Recommended Changes

### FY 2025-26

**Long Bill supplemental:** The bill includes a footnote for OASIA allowing FY 2025-26 appropriations totaling \$50,000 General Fund to be expended through the end of FY 2026-27. This allows two in-progress contracts to complete. One is a compensation contract while the second is the third party review of the office required by statute.

### FY 2026-27

**Employee compensation common policies:** The bill includes a net increase of \$19.4 million, including \$21.0 million General Fund, for employee compensation. A common policy refers to general policies applied consistently to all departments.

#### Employee compensation common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Health, life, and dental	\$18,419,174	\$18,913,844	-\$724,427	\$229,757	\$0	0.0
Step plan	5,920,471	5,585,290	313,257	21,924	0	0.0
Unfunded liability amortization payments	648,770	1,751,535	-1,104,536	1,771	0	0.0
Paid family and medical leave insurance	29,444	79,068	-49,705	81	0	0.0
Salary survey	0	0	0	0	0	0.0
Vacancy savings	-5,627,423	-5,358,248	-236,287	-32,888	0	0.0
Short-term disability	-4,691	4,478	-7,731	-1,438	0	0.0
<b>Total</b>	<b>\$19,385,745</b>	<b>\$20,975,967</b>	<b>-\$1,809,429</b>	<b>\$219,207</b>	<b>\$0</b>	<b>0.0</b>

**Prior year actions:** The bill includes a net increase of \$7.8 million, including \$7.3 million General Fund, for the impact of prior year budget decisions and legislation.

**Prior year actions**

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SB 25-024 Judicial Officers	\$6,200,508	\$6,200,508	\$0	\$0	\$0	60.0
FY 25-26 OADC Increased caseload and costs supplemental	2,792,679	2,792,679	0	0	0	0.0
FY 25-26 OADC Increased caseload and case costs add-on	2,534,914	2,534,914	0	0	0	0.0
FY 25-26 C&P ITCAP1 CMS Year2	2,303,797	0	2,303,797	0	0	0.0
FY 25-26 C&P BA1 Virtual Court	1,261,031	0	1,261,031	0	0	0.0
HB 24-1355 Measures Reduce Comp Wait List	593,962	593,962	0	0	0	5.5
FY 25-26 Bridges restore assessment services funding	288,099	288,099	0	0	0	0.0
HB 25-1275 Forensic Science Integrity	80,136	80,136	0	0	0	0.9
FY 25-26 Step plan	15,002	1	1	15,000	0	0.0
FY 25-26 Support parent-advocates	7,102	0	0	7,102	0	0.0
SB 23-064 Continue Office of Public Guardianship	6,624	6,624	0	0	0	0.0
FY 25-26 R2 Budget Analyst	2,987	9,187	-6,200	0	0	1.0
FY 25-26 Salary survey	0	1	-1	0	0	0.0
FY 25-26 Supplemental bill	-5,874,903	-4,217,698	-1,000,000	-657,205	0	0.0
FY 25-26 OCR Case management/billing system	-1,400,000	0	0	-1,400,000	0	0.0
HB 24-1133 Crim Record Sealing and Expunge Changes	-514,320	-514,320	0	0	0	0.0
FY 25-26 OSPD CBI DNA misconduct impact	-300,000	-300,000	0	0	0	0.0
HB 24-1046 Child welfare system tools	-116,463	-116,463	0	0	0	-0.5
FY 25-26 OPG BA1 Leased space	-40,000	0	-40,000	0	0	0.0
FY 25-26 C&P R3 Aurora Muni DV Cases	-14,800	-14,800	0	0	0	0.0
HB 25-1062 Penalty for Theft of Firearms	-13,500	-13,500	0	0	0	0.0
FY 25-26 OPG staff	-9,994	-9,994	0	0	0	0.1
<b>Total</b>	<b>\$7,802,861</b>	<b>\$7,319,336</b>	<b>\$2,518,628</b>	<b>-\$2,035,103</b>	<b>\$0</b>	<b>67.0</b>

**C&P Information technology infrastructure:** The bill adds spending authority for department IT infrastructure needs, including hardware replacement for personal computers, services, routers, switches, software and hardware maintenance and licenses, the voice and data network, e-filing system, digital courts system, and case management system maintenance.

- Year 1: An increase of \$6.8 million cash funds from the Judicial Information Technology Cash Fund.
- Year 2: An increase of \$7.5 million cash funds from the Judicial Information Technology Cash Fund.

**OSPD & OADC CBI DNA misconduct impact:** The bill includes funding to address cases arising out of the Forensic Science Integrity Act and misconduct at CBI. Funding is shared between OSPD and OADC.

Year 1: A one-time increase of \$2.0 million General Fund.

**OADC Caseload increase:** The bill includes funding to address the expected caseload of OADC.

Year 1: An increase of \$2.0 million General Fund.

**OSPD & IA Technical adjustments:** The bill includes adjustments for data storage escalators for OSPD and leased space adjustments for independent agencies (IA).

Year 1: An increase of \$1.6 million General Fund.

**C&P Office of Atty Regulation Counsel:** The bill includes an increase to the informational funds amount identified in the Office of Attorney Regulation Counsel line item. Funding from annual attorney registration fees and law examination application fees are continuously appropriated for attorney regulation under the Judicial Department's constitutional authority.

Year 1: An increase of \$1.2 million cash funds from attorney registration and bar exam fees.

**Operating common policies:** The bill includes a net increase of \$1.2 million, including a net increase of \$2.5 million General Fund, for operating common policies.

**Operating common policies**

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
State accounting system (CORE)	\$1,080,207	\$1,080,207	\$0	\$0	\$0	0.0
Workers' compensation	406,893	406,893	0	0	0	0.0
Legal services	162,425	162,425	0	0	0	0.0
PERA direct distribution	157,235	349,642	-227,021	34,614	0	0.0
State payroll system (CORE)	113,863	112,053	1,810	0	0	0.0
IT accessibility	107,986	107,986	0	0	0	0.9
Office of Information Technology services	50,087	50,087	0	0	0	0.0
Departmental indirect cost adjustment	-752,541	399,541	-752,541	-399,541	0	0.0
Risk management & property	-147,537	-147,537	0	0	0	0.0
Vehicle lease payments	-23,818	-23,818	0	0	0	0.0
<b>Total</b>	<b>\$1,154,800</b>	<b>\$2,497,479</b>	<b>-\$977,752</b>	<b>-\$364,927</b>	<b>\$0</b>	<b>0.9</b>

**C&P Language interpreters and translators:** The bill includes an increase for interpreter and translation services. Federal law requires language services so that limited-English speaking individuals and people with disabilities that affect communication have meaningful access to court services.

Year 1: An increase of \$1.0 million General Fund.

**C&P Court, jury, court-appointed counsel, and vacated conviction costs:** The bill includes an increase for various costs mandated by federal and state law, including court-appointed counsel, certain court and jury costs, and reimbursements for vacated convictions. The majority of the increases are for court-appointed counsel costs.

Year 1: An increase of \$880,326 General Fund.

**OSPD Staff for Aurora domestic violence docket:** The bill includes funding to add public defenders to the 17<sup>th</sup> and 18<sup>th</sup> Judicial Districts to handle increased domestic violence caseload resulting from the City of Aurora declining to prosecute these offenses at the municipal court.

- Year 1: An increase of \$0.6 million General Fund and 5.9 FTE.
- Year 2: An increase of \$0.6 million General Fund and 7.0 FTE.

**C&P Offender treatment and services:** The bill includes an increase for offender treatment and services.

Year 1: An increase of \$500,000 cash funds from the Offender Services Fund.

**OSPD IT true-up:** The bill includes funding for increasing costs of IT subscriptions that OSPD relies on to defend its clients in criminal prosecution.

- Year 1: An increase of \$477,658 General Fund.
- Year 2: An increase of \$955,317 General Fund.

**OSPD SB 25-024 correction:** The bill includes funding for leased space and utilities related to implementation of S.B. 25-024 (Judicial Officers), which omitted these costs from the bill's fiscal note.

Year 1: An increase of \$204,300 General Fund.

**OPG Guardians for program expansion:** The bill includes funding to add 2.0 FTE guardians for OPG to expand to serving 5 judicial districts. Statewide implementation is planned for FY 2029-30.

Year 1: An increase of \$150,832 General Fund and 2.0 FTE.

**C&P Ralph L. Carr Colorado Judicial Center:** The bill includes adjustments to line items that support the Ralph L. Carr Colorado Judicial Center, including the line items that fund building management and operations; appropriations to the Justice Center Maintenance Fund; Justice Center Maintenance Fund expenditures, and debt service payments for the Judicial Center Certificate of Participation.

Year 1: A net increase in the Judicial Department of \$119,949, including a reduction of \$1.3 million General Fund.

Across all departments, adjustments to Carr Center-related appropriations provide net savings of \$1.6 million General Fund in FY 2026-27 and net savings of \$1.2 million General Fund in FY 2027-28. The savings are due in part to use of reserves in the Justice Center Maintenance Fund.

**IEC Add 0.5 FTE for investigator:** The bill includes funding to convert 0.5 FTE investigator to 1.0 FTE to address caseload trends for IEC.

Year 1: An increase of \$57,272 General Fund and 0.5 FTE.

**C&P Statewide judicial security plan:** The bill includes the second year fiscal impact of 1.0 FTE security analyst added through FY 2025-26 supplemental action. The analyst will work with a taskforce and compile recommendations to address physical security for court and probation facilities and judicial officers and staff statewide. The position is term-limited and funded through FY 2028-29.

Years 1 through 3: An increase of \$56,646 from the Judicial Stabilization Cash Funds and 0.7 FTE. The full year cost is \$96,749, excluding centrally-appropriated funds, for 1.0 FTE.

**C&P Technical adjustments:** The bill includes an increase in reappropriated funds spending authority to cover the balance of costs for a 1.0 FTE Legal Research Attorney FTE who provides staff support for the Law Library. It also includes net \$0 adjustments to break-out a line item for the Office of Dispute Resolution and to relocate Marijuana Tax Cash Fund appropriations.

Year 1: An increase of \$33,684 reappropriated funds from the Department of Law.

**IEC IT accessibility maintenance contract:** The bill includes funding for IEC to enter an annual contract to remediate documents and other media posted to its website to comply with H.B. 21-1110 (IT Accessibility).

Year 1: An increase of \$12,000 General Fund.

**Attorney contractor rate adjustment:** The bill includes a very small attorney contractor rate adjustment. Senate Bill 23-227 (State-funded attorney rate) requires an increase of *up to* \$5 per hour per year for attorney contractors.

Year 1: A total increase of \$5 General Fund, spread across multiple divisions and line items.

**C&P Trial courts refinance:** The bill includes a temporary refinance of General Fund with Judicial Stabilization Cash Fund.

- Years 1 and 2: A reduction of \$2.0 million General Fund and increase of \$2.0 million Judicial Stabilization Cash Fund.
- Year 3 and ongoing: Restoration of \$2.0 million General Fund and reduction of \$2.0 million Judicial Stabilization Cash Fund.

**C&P Probation programs refinance:** The bill includes a temporary, 3-year refinance of General Fund with Offender Services Cash Funds.

- Years 1, 2, and 3: A reduction of \$1.5 million General Fund and increase of \$1.5 million Offender Services Fund.
- Year 4 and ongoing: Restoration of \$1.5 million General Fund and reduction of \$1.5 million Offender Services Fund.

**C&P Family Violence Justice Grants refinance:** The bill includes a refinance in a line item that provide grants to qualifying organizations providing civil legal services to indigent Colorado residents.

Year 1: A reduction of \$150,000 General Fund and an increase of \$150,000 cash funds from the Family Violence Justice Fund.

**C&P DA mandated costs, Correctional Treatment Board, Sex Offender Management Board adjustments:** The bill includes adjustments for programs supported by the Correctional Treatment Board and the Sex Offender Management Board, based on the recommendations of the Boards.

Year 1: A reduction of \$2.2 million total funds, including \$121,247 cash funds and \$2.1 million reappropriated funds from the Correctional Treatment Cash Fund, the Sex Offender Management Board Cash Fund, and various sources.

**OCR Reduce court-appointed counsel:** The bill includes a funding change to account for lower projected caseload and case costs for FY 2026-27.

Year 1: A decrease of \$871,124 General Fund.

**C&P Empty spending authority:** The bill eliminates cash and reappropriated funds spending authority that is not used because there is no related revenue.

Year 1: A reduction of \$0.8 million total funds including \$400,000 from the Eviction Legal Defense Cash Fund for the Eviction Legal Defense Program and \$397,541 reappropriated funds and 7.0 FTE for the Collections Program and Office Restitution Services.

**ORPC Align appropriations with estimates:** The bill includes reduced funding to address the expected caseload of ORPC.

Year 1: A decrease of \$770,316 General Fund and an increase of \$50,000 reappropriated funds that originate as Title IV-E funds.

**C&P Underfunded courthouse facility grants:** The bill includes a reduction to the appropriation to the Underfunded Courthouse Facility Grant Fund and a footnote to allow three-year roll-forward of grant awards.

Year 1: A reduction of \$500,000 General Fund, with related adjustments to cash and reappropriated funds from the Underfunded Courthouse Facilities Cash Fund.

**OSPD Admin & appellate lease:** The bill includes a reduction in funding to account for a discount on the first year of a new lease in the space it currently occupies off 17<sup>th</sup> Street downtown.

- Year 1: A decrease of \$492,479 General Fund.
- Year 2: An increase of \$570,540 General Fund.
- Year 3 and ongoing: An increase of \$2.3 million General Fund with a 2.5 percent lease escalator through FY 2035-36.

**C&P Courthouse furnishings and infrastructure maintenance:** The bill eliminates the second-year General Fund impact of S.B. 25-024 (Judicial Officers) and instead provides a cash funds appropriation for courthouse information technology capital outlay.

Year 1: A net reduction of \$149,800, including a General Fund reduction of \$1.2 million and an increase of \$1.1 million cash funds spending authority from the Judicial Information Technology Cash Fund.

# Labor and Employment

The Department of Labor and Employment is responsible for managing the State’s unemployment insurance and family and medical leave insurance programs, providing services to employers and job seekers, enforcing laws concerning labor standards, providing labor market information, regulating the workers’ compensation industry, ensuring public safety and consumer protections, and administering vocational rehabilitation services.

## Department of Labor and Employment

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation	\$495,775,860	\$34,703,020	\$219,884,639	\$24,134,608	\$217,053,593	1,753.6
<b>Changes from FY 2025-26 Appropriation</b>						
Employee compensation common policies	\$8,358,711	\$547,111	\$2,998,652	-\$35,566	\$4,848,514	0.0
CDOO spending authority increase	4,956,705	0	4,956,705	0	0	2.0
Operating common policies	1,878,791	-2,990,729	109,696	43,888	4,715,936	4.2
Prior year actions	75,651	712,975	-595,022	-40,096	-2,206	8.2
CDOO line item split	0	0	0	0	0	0.0
Technical adjustments	-1,782,390	-181,781	-776,004	0	-824,605	0.0
Scale-Up Grant funding decrease	-426,764	0	-426,764	0	0	-1.2
Hosp Education Grant reduction	-426,057	-426,057	0	0	0	-0.5
Office of Just Transition reduction	-145,816	-145,816	0	0	0	0.0
Labor Standards reduction	-122,154	-122,154	0	0	0	0.0
Office of Future Work reduction	-65,973	-65,973	0	0	0	0.0
<b>Total FY 2026-27 Long Bill Appropriation</b>	<b>\$508,076,564</b>	<b>\$32,030,596</b>	<b>\$226,151,902</b>	<b>\$24,102,834</b>	<b>\$225,791,232</b>	<b>1,766.3</b>
\$ Change from prior year	\$12,300,704	-\$2,672,424	\$6,267,263	-\$31,774	\$8,737,639	12.7
% Change from prior year	2.5%	-7.7%	2.9%	-0.1%	4.0%	0.7%

Changes are assumed to be ongoing unless otherwise noted.

## Description of Recommended Changes

**Employee compensation common policies:** The bill includes a net increase of \$8.4 million for employee compensation common policies. A common policy refers to general policies applied consistently to all departments.

### Employee compensation common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Health, life, and dental	\$8,135,725	\$582,865	\$3,360,455	\$37,691	\$4,154,714	0.0
Step plan	1,243,639	90,018	469,610	0	684,011	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Unfunded liability amortization payments	1,156,958	27,490	228,417	8,692	892,359	0.0
PERA direct distribution	183,824	3,198	31,196	1,520	147,910	0.0
Paid family and medical leave insurance	52,063	1,237	10,278	391	40,157	0.0
Short-term disability	8,099	192	1,599	61	6,247	0.0
Vacancy savings	-2,421,597	-157,889	-1,102,903	-83,921	-1,076,884	0.0
<b>Total</b>	<b>\$8,358,711</b>	<b>\$547,111</b>	<b>\$2,998,652</b>	<b>-\$35,566</b>	<b>\$4,848,514</b>	<b>0.0</b>

**Colorado Disability Opportunity Office (CDOO) spending authority increase:** The bill includes additional funding and one-time FTE to CDOO.

- Year 1: Spending authority of \$5.0 million from the Disability Support Fund, and 2.0 FTE
- Year 2: Spending authority of \$550,000 from the Disability Support Fund
- Year 3: Spending authority of \$50,000 from the Disability Support Fund

This includes a one-time spending authority increase and temporary FTE to increase and close out grants in FY 2026-27, two years of spending authority to create a statewide disability needs assessment and an online database of disability resources, and ongoing funding to convene an annual disability collaboration conference.

**Operating common policies:** The bill includes a net increase of \$1.9 million for operating common policies.

#### Operating common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Office of Information Technology services	\$5,580,548	-\$2,040,511	\$2,689,534	\$55,789	\$4,875,736	0.0
Legal services	1,117,693	287,546	433,370	0	396,777	0.0
AI compliance	334,766	24,892	136,241	17,231	156,402	2.8
State accounting system (CORE)	242,318	1,435	68,370	167	172,346	0.0
IT accessibility	213,537	16,764	88,249	3,315	105,209	1.4
State payroll system (CORE)	40,016	4,288	19,615	213	15,900	0.0
Capitol Complex leased space	12,256	5,021	5,584	0	1,651	0.0
Statewide indirect cost adjustment	0	19,935	0	-19,935	0	0.0
Administrative law judge services	-3,172,694	0	-3,172,694	0	0	0.0
Office of Information Technology base reduction	-1,744,982	-1,000,000	0	-9,865	-735,117	0.0
IT operating offset	-327,916	-168,376	-53,702	-1,494	-104,344	0.0
IT efficiencies	-253,395	-130,111	-41,498	-1,155	-80,631	0.0
Risk management & property	-103,051	-6,993	-32,270	-279	-63,509	0.0
Vehicle lease payments	-54,020	-4,319	-29,164	-91	-20,446	0.0
Workers' compensation	-6,285	-300	-1,939	-8	-4,038	0.0
<b>Total</b>	<b>\$1,878,791</b>	<b>-\$2,990,729</b>	<b>\$109,696</b>	<b>\$43,888</b>	<b>\$4,715,936</b>	<b>4.2</b>

**Prior year actions:** The bill includes a net increase of \$75,651 for the impact of prior year budget decisions and legislation.

#### Prior year actions

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB 25-1001 Enforcement wage hour laws	\$691,275	\$691,275	\$0	\$0	\$0	7.9

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB 26-1159 FY 2025-26 Supplemental	244,409	337,129	-93,266	2,752	-2,206	0.0
HB 25-1328 Impl recs direct care worker	23,281	23,281	0	0	0	0.4
SB 25-186 Sunset workers' accred prog	14,309	0	14,309	0	0	0.4
FY 25-26 BA3 Disability supp fund	8,060	0	8,060	0	0	0.0
FY 23-24 BA1 Rides and devices prog	0	-58,675	58,675	0	0	0.0
HB 25-1017 Comm integration plan	-497,221	0	-497,221	0	0	0.2
HB 24-1364 Edu workforce readiness	-250,000	-250,000	0	0	0	0.0
HB 24-1280 Welcome reception grant	-85,579	0	-85,579	0	0	-1.0
HB 25-1267 Support statewide energy	-42,848	0	0	-42,848	0	0.3
SB 24-143 Apprenticeship classification	-30,035	-30,035	0	0	0	0.0
<b>Total</b>	<b>\$75,651</b>	<b>\$712,975</b>	<b>-\$595,022</b>	<b>-\$40,096</b>	<b>-\$2,206</b>	<b>8.2</b>

**Colorado Disability Opportunity Office (CDOO) line item split:** The bill includes a budget-neutral technical adjustment to split existing appropriations for CDOO into Personal Services and Operating Expenses.

**Technical adjustments:** The bill includes a net decrease of \$1.8 million, including \$0.2 million General Fund, for lease adjustments.

**Scale-Up Grant funding decrease:** The bill reduces spending authority from the Scale-Up Grant Fund as a technical adjustment after a transfer of cash funds to the General Fund.

Year 1: Reduction of \$0.4 million from the Scale-Up Grant Fund and 1.2 FTE.

**Hospitality Education Grant reduction:** The bill reduces General Fund for the Hospitality Education Grant Program.

Year 1: Reduction of \$0.4 million General Fund and 0.5 FTE.

**Office of Just Transition reduction:** The bill includes a reduction to personnel and operating expenses for the Office of Just Transition.

Year 1: Reduction of \$0.1 million General Fund.

**Labor Standards reduction:** The bill includes a reduction of vacancy savings from the Division of Labor Standards and Statistics.

Year 1: Reduction of \$0.1 million General Fund.

**Office of Future Work reduction:** The bill reduces funding for the Office of the Future of Work.

Year 1: Reduction of \$65,973 General Fund.

This is a 2.5 percent reduction in General Fund to the State Apprenticeship Agency and slightly larger reductions to four streams of work: the Colorado Registered Apprenticeship Directory, the Certified Contractor List, Career and Technical Education and Apprenticeship coordination, and Credential Quality Apprenticeship Classification.

# Law

The Attorney General is one of five independently elected constitutional officers of the State. As the Chief Executive Officer of the Department of Law, the Attorney General represents and defends the legal interests of the people of the State of Colorado and serves as the legal counsel and advisor to state agencies.

## Department of Law

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation	\$151,902,969	\$28,687,723	\$25,457,593	\$93,827,819	\$3,929,834	666.8
<b>Changes from FY 2025-26 Appropriation</b>						
Prior year actions	\$4,575,089	\$2,871,866	\$94,780	\$1,608,019	\$424	3.8
River basin litigation funding	3,791,555	0	3,791,555	0	0	0.0
Employee compensation common policies	3,181,048	734,649	595,717	1,726,970	123,712	0.0
Operating common policies	609,576	141,246	-162,534	641,360	-10,496	0.0
Technical adjustments	154,821	16,752	-4,502	143,746	-1,175	1.0
Voluntary budget reductions	-582,374	-389,457	0	0	-192,917	-4.5
Leased space	-115,317	-33,211	-17,792	-79,813	15,499	0.0
<b>Total FY 2026-27 Long Bill Appropriation</b>	<b>\$163,517,367</b>	<b>\$32,029,568</b>	<b>\$29,754,817</b>	<b>\$97,868,101</b>	<b>\$3,864,881</b>	<b>667.1</b>
\$ Change from prior year	\$11,614,398	\$3,341,845	\$4,297,224	\$4,040,282	-\$64,953	0.3
% Change from prior year	7.6%	11.6%	16.9%	4.3%	-1.7%	0.0%

Changes are assumed to be ongoing unless otherwise noted.

## Description of Recommended Changes

**Prior year actions:** The bill includes a net increase of \$4.6 million for the impact of prior year budget decisions and legislation.

### Prior year actions

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB 24-013 District Attorneys' salaries	\$4,378,971	\$4,378,971	\$0	\$0	\$0	0.0
FY 25-26 Supplemental	607,687	163,801	81,659	362,227	0	0.0
SB 24-010 Dental services compact	230,436	0	0	230,436	0	1.0
HB 24-1111 Cosmetology compact	192,030	0	0	192,030	0	0.8
SB 24-018 Physician assistant compact	153,624	0	0	153,624	0	0.7
HB 24-1002 Social work licensure compact	115,218	0	0	115,218	0	0.5
HB 24-1054 Jail standards	112,247	112,247	0	0	0	0.8
SB 25-130 Emergency services	85,335	0	0	85,335	0	0.3
SB 25-126 Uniform antitrust merger notices	61,382	61,382	0	0	0	0.0
HB 25-1267 Statewide emergency strategies	48,146	0	0	48,146	0	0.2
FY 25-26 Additional litigation resources	37,009	37,009	0	0	0	0.2

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SB 24-141 Telehealth providers	6,401	0	0	6,401	0	0.0
FY 25-26 Salary survey	3,988	-608,393	5,272	606,684	425	0.0
FY 25-26 Step Plan	0	150,799	7,849	-158,647	-1	0.0
SB 25-305 Water quality permitting	0	0	0	0	0	0.0
HB 25-1239 Anti-discrimination Act	0	0	0	0	0	0.0
SB 25-244 Reduce ADA State Funding	-1,363,783	-1,363,783	0	0	0	0.0
SB 25-304 Sex assault kit backlog	-60,167	-60,167	0	0	0	-0.5
HB 25-1154 Community services enterprise	-33,435	0	0	-33,435	0	-0.2
<b>Total</b>	<b>\$4,575,089</b>	<b>\$2,871,866</b>	<b>\$94,780</b>	<b>\$1,608,019</b>	<b>\$424</b>	<b>3.8</b>

**River basin litigation funding:** The bill includes funding for ongoing negotiations regarding waters of Colorado.

Year 1: An increase of \$3.8 million spending authority from the Colorado Water Board Litigation Fund.

**Employee compensation common policies:** The bill includes a net increase of \$3.2 million for employee compensation common policies. A common policy refers to general policies applied consistently to all departments.

#### Employee compensation common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Health, life, and dental	\$3,380,359	\$805,810	\$582,488	\$1,862,618	\$129,443	0.0
Step plan	779,464	164,834	84,805	516,804	13,021	0.0
Unfunded liability amortization payments	364,865	88,478	103,097	159,120	14,170	0.0
PERA direct distribution	34,528	10,546	14,924	9,058	0	0.0
Paid family and medical leave insurance	16,419	3,982	4,639	7,160	638	0.0
Short-term disability	2,553	619	722	1,113	99	0.0
Vacancy savings	-1,397,140	-339,620	-194,958	-828,903	-33,659	0.0
<b>Total</b>	<b>\$3,181,048</b>	<b>\$734,649</b>	<b>\$595,717</b>	<b>\$1,726,970</b>	<b>\$123,712</b>	<b>0.0</b>

**Operating common policies:** The bill includes a net increase of \$0.6 million for operating common policies.

#### Operating common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Resetting indirect cost base	\$328,512	\$0	\$328,512	\$0	\$0	0.0
Legal services	110,876	42,786	68,090	0	0	0.0
Workers' compensation	102,840	31,624	12,151	56,019	3,046	0.0
Departmental indirect cost adjustment	67,087	0	-554,052	633,252	-12,113	0.0
Leased space	55,205	68,851	-7,517	-4,669	-1,460	0.0
Office of Information Technology services	51,495	19,264	4,852	23,599	3,780	0.0
State accounting system (CORE)	39,356	10,579	5,055	22,448	1,274	0.0
Attorney licensing and education	17,658	7,330	-218	10,136	410	0.0
State payroll system (CORE)	14,627	4,728	1,671	7,813	415	0.0
Vehicle lease payments	4,395	2,008	1,143	963	281	0.0
Administrative law judge services	2,149	0	2,149	0	0	0.0
Vehicle lease payments	1,750	719	283	604	144	0.0
Digital trunked radios	1,342	891	266	185	0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Risk management & property	-179,290	-45,167	-23,863	-104,252	-6,008	0.0
IT efficiencies	-8,426	-2,367	-1,056	-4,738	-265	0.0
<b>Total</b>	<b>\$609,576</b>	<b>\$141,246</b>	<b>-\$162,534</b>	<b>\$641,360</b>	<b>-\$10,496</b>	<b>0.0</b>

**Technical adjustments:** The bill includes a net increase of \$154,821 for technical adjustments related to the Auto Theft Prevention Grant the Department receives from the Department of Public Safety and a net-neutral change to the funding source for the Department’s Asset Maintenance line item.

**Voluntary budget reductions:** The bill includes reductions to four areas in the Department to realize vacancy savings.

- A reduction of \$257,224 total funds, including \$64,306 General Fund, related to 2.0 FTE vacant positions in the Medicaid Fraud Prevention Program;
- A reduction of \$135,850 General Fund related to 1.0 FTE vacant position in the Special Prosecutions Unit;
- A reduction of \$122,107 General Fund related to 1.0 FTE vacant position in the Colorado Open Records and Open Meeting Law advisory role; and
- A reduction of \$67,193 General Fund related to 0.5 FTE vacant position in the Appellate Unit.

**Leased space:** The bill includes funding changes associated with taking over the space previously occupied by the Office of the State Public Defender in the Ralph L. Carr Judicial Center.

- Year 1: A decrease of \$115,317 total funds, including a reduction of \$33,211 General Fund, due to the Department no longer needing appropriations to extend its current lease in private space.
- Year 2: An estimated increase of \$492,479 total funds, including \$138,338 General Fund. Actual figures will be determined based on leased space decisions related to the Ralph L. Carr Judicial Center.

# Legislative

The Legislative Branch includes the elected members of the House of Representatives and the Senate, and the necessary staff to support these legislators in their duties and responsibilities. The staff include those employed by the House and the Senate as well as those employed by the following legislative service agencies:

- Office of the State Auditor
- Joint Budget Committee Staff
- Legislative Council Staff
- Office of Legislative Legal Services

The legislative service agency staff are full-time nonpartisan professionals. The House and Senate employ both partisan and nonpartisan professional staff, and some of these staff serve part-time when the General Assembly is in session.

The majority of appropriations are included in a separate legislative appropriation bill (H.B. 26-1333). However, the Long Bill contains several specific line items each year. This narrative section only addresses the line item appropriations in the Long Bill.

## Legislative Department

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation	\$5,776,117	\$5,576,117	\$0	\$200,000	\$0	0.0
<b>Changes from FY 2025-26 Appropriation</b>						
Ballot analysis	\$2,600,000	\$2,600,000	\$0	\$0	\$0	0.0
Operating common policies	778,646	778,646	0	0	0	0.0
Prior year actions	-200,000	0	0	-200,000	0	0.0
Employee compensation common policies	-1,373	-1,373	0	0	0	0.0
<b>Total FY 2026-27 Long Bill Appropriation</b>	<b>\$8,953,390</b>	<b>\$8,953,390</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
\$ Change from prior year	\$3,177,273	\$3,377,273	\$0	-\$200,000	\$0	0.0
% Change from prior year	55.0%	60.6%	n/a	-100.0%	n/a	n/a

Changes are assumed to be ongoing unless otherwise noted.

## Description of Recommended Changes

**Ballot analysis:** The bill includes an increase of \$2.6 million General Fund for the preparation and distribution of the information booklet containing statewide ballot measures.

**Operating common policies:** The bill includes a net increase of \$778,646 for operating common policies.

### Operating common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Capitol Complex leased space	\$767,417	\$767,417	\$0	\$0	\$0	0.0
Workers' compensation	76,693	76,693	0	0	0	0.0
State accounting and payroll system (CORE)	34,059	34,059	0	0	0	0.0
Risk management & property	-56,888	-56,888	0	0	0	0.0
Office of Information Technology services	-35,189	-35,189	0	0	0	0.0
Legal services	-7,446	-7,446	0	0	0	0.0
<b>Total</b>	<b>\$778,646</b>	<b>\$778,646</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**Prior year actions:** The bill includes a decrease of \$200,000 for the biennial cost of living analysis used in the statutory formula for allocating funding to public schools. The Department is contracting for the study in FY 2025-26 and no appropriation is needed for FY 2026-27.

**Employee compensation common policies:** The bill includes a decrease of \$1,373 General Fund for the Department's share of the annual PERA Direct Distribution payment.

# Local Affairs

The Department is responsible for building for building community and local government capacity by providing training, technical, and financial assistance to localities.

## Department of Local Affairs

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation	\$568,039,548	\$61,754,783	\$347,788,233	\$33,614,538	\$124,881,994	254.3
Long Bill supplemental	213,449	213,449	0	0	0	0.0
<b>FY 2025-26 Adjusted Appropriation</b>	<b>\$568,252,997</b>	<b>\$61,968,232</b>	<b>\$347,788,233</b>	<b>\$33,614,538</b>	<b>\$124,881,994</b>	<b>254.3</b>
<b>Changes from FY 2025-26 Appropriation</b>						
Prior year actions	\$13,034,953	-\$83,831	\$18,066,294	-\$5,009,351	\$61,841	-3.4
Employee compensation common policies	2,580,747	124,120	2,128,921	202,660	125,046	0.0
Impacts driven by other agencies	2,095,349	0	0	2,095,349	0	3.0
Operating common policies	1,418,824	-426,303	1,085,887	271,542	487,698	1.0
CORA administrator	61,469	61,469	0	0	0	0.5
Technical adjustments	-24,835,994	-192,926	-24,643,068	0	0	0.0
Targeted Crime Reduction Grants	-600,000	-300,000	0	-300,000	0	0.0
Childcare Facility Development Grants	-500,000	-250,000	0	-250,000	0	-0.9
SB 22-188 grant program	-500,000	-250,000	0	-250,000	0	0.0
POMH Grant Program	-400,000	-200,000	0	-200,000	0	0.0
REDI grants	-280,000	-280,000	0	0	0	0.0
Payments to OIT reduction	-100,133	-100,133	0	0	0	0.0
<b>Total FY 2026-27 Long Bill Appropriation</b>	<b>\$560,228,212</b>	<b>\$60,070,628</b>	<b>\$344,426,267</b>	<b>\$30,174,738</b>	<b>\$125,556,579</b>	<b>254.5</b>
\$ Change from prior year	-\$8,024,785	-\$1,897,604	-\$3,361,966	-\$3,439,800	\$674,585	0.2
% Change from prior year	-1.4%	-3.1%	-1.0%	-10.2%	0.5%	0.1%

Changes are assumed to be ongoing unless otherwise noted.

## Description of Recommended Changes

### FY 2025-26

**Long Bill supplemental:** The bill includes an increase of \$213,449 from the General Fund Exempt Account shown for informational purposes for volunteer firefighter retirement plans. It also includes a footnote providing an additional year of spending authority for \$45,000 General Fund and a corresponding reappropriation from the Child Care Facility Development Cash Fund.

## FY 2026-27

**Prior year actions:** The bill includes a net increase of \$13.0 million for the impact of prior year budget decisions and legislation.

### Prior year actions

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SB 25-313 Prop 123 revenue uses	\$6,650,000	\$0	\$18,113,656	-\$11,463,656	\$0	0.0
FY 25-26 Ridge View Campus	6,149,702	0	\$0	6,149,702	0	0.3
HB 26-1161 Supplemental bill	611,006	240,851	244,415	63,899	61,841	0.0
HB 24-1219 Firefighter health benefits	300,000	150,000	0	150,000	0	0.0
FY 25-26 Homeless Management Information System	106,028	0	0	106,028	0	0.2
SB 24-111 Senior primary residence property tax reduction	6,334	6,334	0	0	0	0.1
Long Bill supplemental forecast	-213,449	-213,449	0	0	0	0.0
SB 25-246 Eliminate GBM MJ Grant Program	-175,100	0	-175,100	0	0	-1.5
HB 22-1013 Microgrids grant program	-152,124	-152,124	0	0	0	-2.0
FY 25-26 Eliminate DCFA Grant Program	-108,454	-108,454	0	0	0	-0.5
SB 25-002 Regional bldg codes factory built	-101,670	0	-101,670	0	0	0.0
SB 25-308 Medicaid housing & reentry svcs	-20,010	0	0	-20,010	0	0.0
FY 25-26 Salary survey	-10,251	-5,821	-8,332	3,902	0	0.0
SB 25-030 Moffat Tunnel	-5,000	0	-5,000	0	0	0.0
FY 25-26 Step Plan	-2,059	-1,168	-1,675	784	0	0.0
<b>Total</b>	<b>\$13,034,953</b>	<b>-\$83,831</b>	<b>\$18,066,294</b>	<b>-\$5,009,351</b>	<b>\$61,841</b>	<b>-3.4</b>

**Employee compensation common policies:** The bill includes a net increase of \$2.6 million for employee compensation common policies. A common policy refers to general policies applied consistently to all departments.

### Employee compensation common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Health, life, and dental	\$2,209,517	\$134,211	\$1,633,104	\$198,724	\$243,478	0.0
Unfunded liability amortization payments	452,067	37,058	479,405	88,720	-153,116	0.0
Step plan	188,626	48,975	44,979	19,026	75,646	0.0
PERA direct distribution	34,204	-17,990	63,567	-11,134	-239	0.0
Paid family and medical leave insurance	20,343	-811	18,509	1,194	1,451	0.0
Short-term disability	3,164	95	2,348	344	377	0.0
Vacancy savings	-327,174	-77,418	-112,991	-94,214	-42,551	0.0
<b>Total</b>	<b>\$2,580,747</b>	<b>\$124,120</b>	<b>\$2,128,921</b>	<b>\$202,660</b>	<b>\$125,046</b>	<b>0.0</b>

**Impacts driven by other agencies:** The bill includes an increase of \$2.1 million reappropriated funds from the Department of Health Care Policy and Financing for housing vouchers and staffing resources. These resources support individuals transitioning from institutional care settings to community-based settings.

**Operating common policies:** The bill includes a net increase of \$1.4 million for operating common policies.

### Operating common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Departmental indirect costs	\$1,019,563	\$0	\$654,777	\$133,387	\$231,399	0.0
Office of Information Technology services	400,209	-66,151	227,535	60,955	177,870	0.0
State accounting system (CORE)	327,806	25,653	159,889	45,242	97,022	0.0
IT accessibility	153,887	153,887	0	0	0	1.0
Workers' compensation	51,261	8,711	24,647	17,903	0	0.0
Administrative law judge services	20,563	0	20,563	0	0	0.0
State payroll system (CORE)	7,156	901	3,315	1,124	1,816	0.0
Legal services	-272,390	-477,773	153,484	51,899	0	0.0
Capitol Complex leased space	-110,402	22,392	-82,943	-45,811	-4,040	0.0
IT operating offset	-63,683	-16,889	-24,176	-12,487	-10,131	0.0
Risk management & property	-61,570	-23,163	-25,841	-12,566	0	0.0
IT efficiencies	-39,215	-10,400	-14,887	-7,690	-6,238	0.0
Vehicle lease payments	-14,361	-43,471	-10,476	39,586	0	0.0
<b>Total</b>	<b>\$1,418,824</b>	<b>-\$426,303</b>	<b>\$1,085,887</b>	<b>\$271,542</b>	<b>\$487,698</b>	<b>1.0</b>

**CORA Administrator:** The bill includes funding for a new Administrator IV position to continue Colorado Open Records Act (CORA) administration work currently being performed by a term-limited employee.

- Year 1: Initial cost of \$61,469 General Fund and 0.5 FTE for the second half of FY 2026-27; temporary funds will be used for the first half of the year.
- Year 2: The ongoing cost is \$127,205 General Fund and 1.0 FTE.

**Technical adjustments:** The bill includes a net reduction of \$24.8 million for adjustments related to Proposition 123 and vendor fee revenue to affordable housing funds, the Law Enforcement Community Services (LECS) Grant Program fund balance, and the OSPB March 2026 forecast for General Fund Exempt expenditures.

### Technical adjustments

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Vendor fee - informational	\$1,800,000	\$0	\$1,800,000	\$0	\$0	0.0
Prop 123 - informational	-25,673,656	0	-25,673,656	0	0	0.0
LECS adjust grants to fund balance	-769,412	0	-769,412	0	0	0.0
General Fund Exempt forecast	-192,926	-192,926	0	0	0	0.0
<b>Total</b>	<b>-\$24,835,994</b>	<b>-\$192,926</b>	<b>-\$24,643,068</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**Targeted Crime Reduction Grants:** The bill includes a \$300,000 General Fund reduction and a corresponding reappropriated funds reduction to the Targeted Crime Reduction Grant Program. This equates to a 10.0 percent reduction and leaves a \$2.7 million General Fund appropriation intact.

**Childcare Facility Development Grants:** The bill includes a \$250,000 General Fund reduction and a corresponding reappropriated funds reduction for programs created by H.B. 24-1237 (Programs for the Development of Child Care Facilities). This functionally eliminates the planning grant program and the capital grant program.

**S.B. 22-188 grant program:** The bill includes a \$250,000 General Fund reduction and a corresponding reappropriated funds reduction for the Public Defender and Prosecutor Behavioral Health Support Grant Program created by S.B. 22-188 (Behavioral Health Support for Criminal Justice Advocates). H.B. 26-1385 (Public Defender and Prosecutor Behavioral Health Programs) modifies the statutory 50/50 distribution of funds for this program to keep the Office of the State Public Defender whole and force Colorado District Attorney’s Council to utilize unspent funds from prior appropriations.

**Peace Officer Mental Health (POMH) Grant Program:** The bill includes a \$200,000 General Fund reduction and a corresponding reappropriated funds reduction to the Peace Officers Mental Health (POMH) Grant Program. This equates to a 10.0 percent reduction and leaves a \$1.8 million General Fund appropriation intact.

**Rural Economic Development Initiative (REDI) grants reduction:** The bill includes a reduction of \$280,000 General Fund for Rural Economic Development Initiative (REDI) grants. This reduction leaves an appropriation of \$500,000 General Fund intact.

**Payments to OIT reduction:** The bill includes a reduction of \$100,133 General Fund for payments to the Office of Information Technology (OIT). Savings are primarily from reducing non-critical user experience improvements and the completion of large-scale projects that now only need operations and maintenance budgets.

# Military and Veterans Affairs

The Department provides trained and ready military forces to support the U.S. active armed services and preserve life and property during natural disasters and civil emergencies in Colorado. It supports federal and state homeland security missions; maintains equipment and facilities for state military forces; provides for safekeeping of the public arms, military records, relics and banners of the state; assists veterans and National Guard members with benefits claims; operates a one-stop center for veterans in Grand Junction; maintains the Western Slope Veterans' Cemetery; administers veteran-related grant programs; supports the Civil Air Patrol, Colorado Wing; and assists in fighting the spread of drug trafficking.

## Department of Military and Veterans Affairs

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation	\$154,868,202	\$18,146,948	\$2,574,559	\$26,042	\$134,120,653	2,337.9
<b>Changes from FY 2025-26 Appropriation</b>						
Informational federal funds adjustment	\$6,000,000	\$0	\$0	\$0	\$6,000,000	78.0
Employee compensation common policies	905,323	128,151	18,407	0	758,765	0.0
Prior year actions	20,587	118,250	-251,436	0	153,773	0.0
Operating common policies	-698,682	-527,998	-1,765	0	-168,919	0.0
General Fund Reductions	-321,254	-321,254	0	0	0	0.0
Technical adjustments	-157,886	0	-157,886	0	0	0.0
Tobacco Master Settlement adjustment	-74,654	0	-74,654	0	0	0.0
Impacts driven by other agencies	-2,801	-2,801	0	0	0	0.0
<b>Total FY 2026-27 Long Bill Appropriation</b>	<b>\$160,538,835</b>	<b>\$17,541,296</b>	<b>\$2,107,225</b>	<b>\$26,042</b>	<b>\$140,864,272</b>	<b>2,415.9</b>
\$ Change from prior year	\$5,670,633	-\$605,652	-\$467,334	\$0	\$6,743,619	78.0
% Change from prior year	3.7%	-3.3%	-18.2%	0.0%	5.0%	3.3%

Changes are assumed to be ongoing unless otherwise noted.

## Description of Recommended Changes

**Informational federal funds adjustment:** The bill includes an increase of \$6.0 million federal funds and an increase of 78.0 FTE to reflect annual changes to FTE and compensation within the Colorado National Guard.

**Employee compensation common policies:** The bill includes a net increase of \$905,323 for employee compensation common policies. A common policy refers to general policies applied consistently to all departments.

### Employee compensation common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Health, life, and dental	\$782,813	\$179,121	\$31,059	\$0	\$572,633	0.0
Step plan	138,905	50,216	543	0	88,146	0.0
Shift differential	127,207	0	0	0	127,207	0.0
Unfunded liability amortization payments	96,954	-1,580	-8,043	0	106,577	0.0
Paid family and medical leave insurance	4,363	-71	-362	0	4,796	0.0
Short-term disability	678	-11	-57	0	746	0.0
Salary survey	0	0	0	0	0	0.0
Vacancy savings	-245,597	-99,524	-4,733	0	-141,340	0.0
<b>Total</b>	<b>\$905,323</b>	<b>\$128,151</b>	<b>\$18,407</b>	<b>\$0</b>	<b>\$758,765</b>	<b>0.0</b>

**Prior year actions:** The bill includes a net decrease of \$20,587 for the impact of prior year budget decisions and legislation.

### Prior year actions

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB 26-1162 DMVA supplemental	\$20,587	-\$131,750	-\$1,436	\$0	\$153,773	0.0
FY 25-26 Grant funding adjustment	0	250,000	-250,000	0	0	0.0
<b>Total</b>	<b>\$20,587</b>	<b>\$118,250</b>	<b>-\$251,436</b>	<b>\$0</b>	<b>\$153,773</b>	<b>0.0</b>

**Operating common policies:** The bill includes a net decrease of \$698,682 for operating common policies.

### Operating common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
State accounting and payroll system (CORE)	\$41,982	\$41,982	\$0	\$0	\$0	0.0
Workers' compensation	23,429	10,944	0	0	\$12,485	0.0
Office of Information Technology services	23,137	23,137	0	0	0	0.0
Capitol Complex leased space	15,738	15,738	0	0	0	0.0
Digital trunked radios	10,067	10,067	0	0	0	0.0
PERA direct distribution	4,265	170,199	-1,765	0	-164,169	0.0
Risk management & property	-754,474	-754,474	0	0	0	0.0
Vehicle lease payments	-34,471	-17,236	0	0	-17,235	0.0
Legal services	-28,355	-28,355	0	0	0	0.0
<b>Total</b>	<b>-\$698,682</b>	<b>-\$527,998</b>	<b>-\$1,765</b>	<b>\$0</b>	<b>-\$168,919</b>	<b>0.0</b>

**General fund reductions:** The bill includes a reduction of \$321,254 General Fund as a budget balancing measure.

**Technical adjustments:** The bill includes a reduction of \$157,886 cash funds for the sunset of the Veterans Assistance Grant program cash fund.

**Tobacco Master Settlement revenue adjustment:** The bill includes a decrease of \$74,654 cash funds based on the Office of State Planning and Budgeting's FY 2026-27 Tobacco Master Settlement Agreement (MSA) revenue projection.

**Impacts driven by other agencies:** The bill includes a net decrease of \$2,801 for requests from other state agencies. The amount shown in the table below applies only to this department and does not necessarily reflect the total value of each item across all state agencies.

**Impacts driven by other agencies**

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
IT accessibility	\$20,000	\$20,000	\$0	\$0	\$0	0.0
IT operating offset	-16,855	-16,855	0	0	0	0.0
IT efficiencies	-5,946	-5,946	0	0	0	0.0
<b>Total</b>	<b>-\$2,801</b>	<b>-\$2,801</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

# Natural Resources

The Department of Natural Resources is responsible for developing, protecting, and enhancing Colorado’s natural resources for present and future residents and visitors.

## Department of Natural Resources

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation	\$532,211,991	\$56,275,838	\$423,793,121	\$9,559,644	\$42,583,388	1,807.4
<b>Changes from FY 2025-26 Appropriation</b>						
Employee compensation common policies	\$7,658,541	\$1,231,352	\$5,563,673	\$912,100	-\$48,584	0.0
Technical adjustments	6,630,090	592,213	2,537,670	53	3,500,154	0.0
New state parks	1,825,608	0	1,825,608	0	0	7.4
Assistance for livestock producers	513,214	0	513,214	0	0	5.0
SLB enhance lease compliance	407,282	0	407,282	0	0	3.7
CWCB Water Plan Grant Program	200,497	0	200,497	0	0	1.7
SLB enhance tribal consultation	138,339	0	138,339	0	0	0.9
Mine safety support	104,398	0	104,398	0	0	0.9
Severance tax restructure	0	0	0	0	0	0.0
Technical updates to CWCB	0	0	0	0	0	0.0
Refinance satellite monitoring GF	0	-198,016	198,016	0	0	0.0
Prior year actions	-54,156,230	1,051,716	-55,283,189	28,571	46,672	12.7
Operating common policies	-214,430	-37,140	-384,194	111,168	95,736	0.9
<b>Total FY 2026-27 Long Bill Appropriation</b>	<b>\$495,319,300</b>	<b>\$58,915,963</b>	<b>\$379,614,435</b>	<b>\$10,611,536</b>	<b>\$46,177,366</b>	<b>1,840.6</b>
\$ Change from prior year	-\$36,892,691	\$2,640,125	-\$44,178,686	\$1,051,892	\$3,593,978	33.2
% Change from prior year	-6.9%	4.7%	-10.4%	11.0%	8.4%	1.8%

Changes are assumed to be ongoing unless otherwise noted.

## Description of Recommended Changes

**Employee compensation common policies:** The bill includes a net increase of \$7.7 million for employee compensation common policies. A common policy refers to general policies applied consistently to all departments.

### Employee compensation common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Health, life, and dental	\$6,741,206	\$1,134,251	\$4,692,773	\$881,805	\$32,377	0
Step plan	1,501,960	276,477	1,160,679	57,931	6,873	0.0
Unfunded liability amortization payments	338,498	156,859	170,004	48,728	-37,093	0.0
PERA direct distribution	80,010	19,186	52,779	8,045	0	0.0
Paid family and medical leave insurance	15,231	7,059	7,649	2,192	-1,669	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Salary survey	9,826	0	9,826	0	0	0.0
Short-term disability	286	1,098	-894	341	-259	0.0
Vacancy savings	-1,027,689	-363,578	-528,356	-86,942	-48,813	0.0
Shift differential	-787	0	-787	0	0	0.0
<b>Total</b>	<b>\$7,658,541</b>	<b>\$1,231,352</b>	<b>\$5,563,673</b>	<b>\$912,100</b>	<b>-\$48,584</b>	<b>0.0</b>

**Technical adjustments:** The bill includes a net increase of \$6.6 million for technical adjustments.

The General Fund increase is due to a statutory requirement<sup>2</sup> to include an annual-depreciation lease equivalent payment for capital projects funded by the General Fund. Senate Bill 21-112 transferred \$20.0 million General Fund for capital projects to increase access to state parks. Seven of these projects were recently completed, requiring a depreciation lease equivalent payment.

The annual Colorado Parks and Wildlife (CPW) Request for Information (RFI) adjustment updates informational-only fund sources with the latest expenditure, award, and distribution information from the Department.

#### Technical adjustments

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
CPW RFI	\$5,840,694	\$0	\$2,340,694	\$0	\$3,500,000	0.0
Depreciation-lease equivalent payments	727,155	583,243	143,912	0	0	0.0
Leased space	62,241	8,970	53,064	53	154	0.0
<b>Total</b>	<b>\$6,630,090</b>	<b>\$592,213</b>	<b>\$2,537,670</b>	<b>\$53</b>	<b>\$3,500,154</b>	<b>0.0</b>

**New state parks:** The bill includes staff, vehicles, operational funding, and resource stewardship funds to develop and manage two new recreation areas – the Pikes Peak and North Sand Hills Recreation Areas.

Year 1: \$1.8 million and 7.4 FTE from the Parks Cash Fund.

**Assistance for livestock producers:** The bill includes additional contracts for range rider services, vehicles, and a technical FTE adjustment to support wolf conflict minimization.

Year 1: \$513,214 and 5.0 FTE from the Wildlife Cash Fund.

**SLB enhance lease compliance:** The bill includes additional State Land Board (SLB) staff to improve lease compliance oversight and renewable energy leasing processes.

Year 1: \$407,282 and 3.7 FTE from the State Land Board Trust Administration Fund.

**CWCB Water Plan Grant Program:** The bill includes grant managers, contract administrators, and accountants to support an increased workload for the Colorado Water Conservation Board (CWCB) Water Plan Grant Program.

Year 1: \$200,497 and 1.7 FTE from the Water Plan Implementation Cash Fund.

<sup>2</sup> Section 24-30-1310 (2)(b), C.R.S.

Year 2: \$627,400 and 6.1 FTE from the same fund.

The program’s increased workload is due to additional sports betting revenue and more funds for grants.

**SLB enhance tribal consultation:** The bill includes a Cultural Resources Tribal Coordinator for the State Land Board to better address the discovery and management of culturally sensitive artifacts and sites.

Year 1: \$138,339 and 0.9 FTE from the State Land Board Trust Administration Fund.

**Mine safety support:** The bill includes a trainer to increase mine safety and rescue training capacity.

Year 1: \$104,398 and 0.9 FTE from the Severance Tax Operational Fund.

**Severance tax restructure:** The bill includes a net-zero refinance of \$10.7 million from the severance tax operational fund to various cash funds (Energy and Carbon Management Commission Fund, Parks Cash Fund, CWCB Construction Fund, Wildlife Cash Fund). Additional refinancing is also included within the Department of Agriculture’s Long Bill section and H.B. 26-1387 (Severance Tax Fund Expenditures).

**Technical updates to CWCB:** The bill includes net-zero adjustments to remove Long Bill references to outdated program names and to align the budget with current CWCB operations.

**Refinance satellite monitoring GF:** The bill refinances all of the General Fund (\$198,016) for the satellite monitoring system in the Division of Water Resources with the CWCB Construction Fund.

**Prior year actions:** The bill includes a net decrease of \$54.2 million for the impact of prior year budget decisions and legislation.

**Prior year actions**

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB 26-1163 DNR supplemental bill	\$3,502,084	\$805,064	\$2,622,459	\$27,889	\$46,672	0.0
SB 25-168 Prevent wildlife trafficking	1,551,816	0	1,551,816	0	0	9.0
SB 24-171 Wolverine restoration	283,408	0	283,408	0	0	-0.4
SB 25B-005 Reallocate DNR wolf funding	264,268	264,268	0	0	0	0.0
FY 25-26 R5 Implement IT product owners	10,720	0	5,360	5,360	0	0.2
FY 22-23 R10 Records access management	9,750	0	9,750	0	0	0.0
FY 25-26 R7 Water plan technical update	3,225	0	3,225	0	0	0.1
HB 25-1115 Water supply measurement	1,894	0	1,894	0	0	0.1
HB 23-1242 Water conservation in oil and gas	166	0	166	0	0	0.0
FY 25-26 Step Plan	0	0	0	0	0	0.0
SB 25-183 CWCB Projects Bill	-53,978,788	0	-53,978,788	0	0	0.0
SB 24-199 Annual SCTF Projects Bill	-5,000,000	0	-5,000,000	0	0	0.0
HB 25-1332 State trust lands	-290,997	0	-290,997	0	0	-0.6
FY 25-26 R8 Wildlife conservation resources	-240,432	0	-240,432	0	0	0.9
SB 25-040 Future of sev taxes	-168,874	0	-168,874	0	0	0.0
SB 25-053 Protect wild bison	-50,000	0	-50,000	0	0	0.0
FY 25-26 R1 Keep Colorado Wild staff	-17,264	0	-17,264	0	0	2.8
FY 23-24 R15 Vehicles for water admin	-16,645	-16,645	0	0	0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 25-26 R9 SLB working lands intern prog	-13,234	0	-13,234	0	0	0.0
FY 25-26 R4 Dept admin support	-4,678	0	0	-4,678	0	0.5
FY 25-26 Salary survey	-2,631	-971	-1,660	0	0	0.0
FY 25-26 R2 Outdoor Equity Grant Program	-18	0	-18	0	0	0.1
<b>Total</b>	<b>-\$54,156,230</b>	<b>\$1,051,716</b>	<b>-\$55,283,189</b>	<b>\$28,571</b>	<b>\$46,672</b>	<b>12.7</b>

**Operating common policies:** The bill includes a net decrease of \$214,430 for operating common policies.

### Operating common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Office of Information Technology services	\$1,212,601	\$30,177	\$490,340	\$695,543	-\$3,459	0.0
Statewide indirect costs	982,771	740,905	795,586	-740,905	187,185	0.0
Workers' compensation	423,617	-676	427,663	-2,147	-1,223	0.0
State accounting system (CORE)	418,373	33,061	360,796	10,885	13,631	0.0
IT accessibility	153,887	7,540	11,388	134,959	0	0.9
Capitol Complex leased space	111,975	70,819	36,712	16,876	-12,432	0.0
State payroll system (CORE)	50,522	6,092	42,101	1,399	930	0.0
Risk management & property	-1,468,415	-55,351	-1,400,232	-7,489	-5,343	0.0
Vehicle lease payments	-1,384,902	-539,939	-814,580	0	-30,383	0.0
IT operating offset	-452,405	-72,977	-345,370	-28,441	-5,617	0.0
IT efficiencies	-129,827	-20,942	-99,111	-8,162	-1,612	0.0
Digital trunked radios	-84,559	0	-84,559	0	0	0.0
Legal services	-48,068	-235,849	195,072	38,650	-45,941	0.0
<b>Total</b>	<b>-\$214,430</b>	<b>-\$37,140</b>	<b>-\$384,194</b>	<b>\$111,168</b>	<b>\$95,736</b>	<b>0.9</b>

# Personnel

The Department of Personnel administers the state personnel system, which includes approximately 35,000 full-time-equivalent (FTE) staff, excluding the Department of Higher Education. The Department also provides general support services for state agencies, including:

- providing central business, financial, and personnel services
- maintenance of capital assets

## Department of Personnel

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation	\$302,119,661	\$34,957,032	\$27,190,601	\$239,972,028	\$0	500.5
Long Bill supplemental	-651,279	-651,279	0	0	0	0.0
<b>FY 2025-26 Adjusted Appropriation</b>	<b>\$301,468,382</b>	<b>\$34,305,753</b>	<b>\$27,190,601</b>	<b>\$239,972,028</b>	<b>\$0</b>	<b>500.5</b>
<b>Changes from FY 2025-26 Appropriation</b>						
Annual fleet vehicle replacement	\$3,867,949	\$0	\$0	\$3,867,949	\$0	0.0
Printing services true-up	3,707,974	0	1,051,773	2,656,201	0	0.0
Operating common policies	3,421,340	-624,107	3,505,367	540,080	0	0.9
Employee compensation common policies	1,323,550	706,336	77,402	539,812	0	0.0
OAC staff for Medicaid appeals	904,244	0	0	904,244	0	8.1
Statewide training system continuation	552,752	0	0	552,752	0	0.0
State payroll system common policy	472,137	0	0	472,137	0	7.5
State accounting system resources	370,000	0	0	370,000	0	0.0
Impacts driven by other agencies	59,804	0	0	59,804	0	0.0
Technical adjustments	-4,309,277	768,872	7,639,762	-12,717,911	0	0.0
Prior year actions	-1,123,770	-353,652	36,898	-807,016	0	-5.8
General Fund reductions	-491,580	-491,580	0	0	0	0.0
<b>Total FY 2026-27 Long Bill Appropriation</b>	<b>\$310,223,505</b>	<b>\$34,311,622</b>	<b>\$39,501,803</b>	<b>\$236,410,080</b>	<b>\$0</b>	<b>511.2</b>
\$ Change from prior year	\$8,755,123	\$5,869	\$12,311,202	-\$3,561,948	\$0	10.7
% Change from prior year	2.9%	0.0%	45.3%	-1.5%	n/a	2.1%

Changes are assumed to be ongoing unless otherwise noted.

## Description of Recommended Changes

### FY 2025-26

**Long Bill supplemental:** The bill includes a decrease of \$651,279 General Fund for an early private lease termination. The Department decided not to pursue the lease termination in the current fiscal year.

## FY 2026-27

**Annual fleet vehicle replacement:** The bill includes an increase to replace approximately 8.0 percent of the vehicles in the state fleet.

Year 1 (Personnel): The total cost is \$3.9 million. This is reappropriated funds for the Department of Personnel to manage vehicle lease payments for the state fleet.

The bill funds the replacement of 545 vehicles currently in the state fleet. The Departments of Public Safety (160), Natural Resources (89), and Corrections (61) account for 56.9 percent of replacements. The institutions of higher education (64) and the Department of Transportation (85) account for an additional 27.3 percent of replacements, the costs of which *are not* appropriated in the Long Bill. Of the 545 replacement vehicles, it is anticipated that 326 will be hybrid or all-electric vehicles. The statewide total cost is \$0.3 million. This includes an increase of \$0.7 million General Fund and a decrease of -\$0.4 million cash funds, reappropriated funds, and federal funds across all affected state agencies.

**Printing services true-up:** The bill includes an increase in cash funds and reappropriated funds to align spending authority with revenue and address increases in postage costs.

- Year 1: An increase of \$3.7 million total funds. This includes \$1.1 million cash funds and \$2.7 million reappropriated funds.
- Year 2: An increase of \$4.2 million total funds, including \$1.1 million cash funds and \$3.1 million reappropriated funds.

The Integrated Document Solutions (IDS) program provides central printing, scanning, mailing, and related services to state agencies. IDS charges agencies for the provision of services and rates are set to be competitive with the private market. Demand for IDS services have steadily increased in the last several years and spending authority for revenue received from client agencies also needs to increase. Additionally, postage rates set by the U.S. Postal Service increased by nearly 42.0 percent from FY 2020-21 to FY 2024-25.

**Operating common policies:** The bill includes a net increase of \$3.4 million for operating common policies.

### Operating common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Capitol Complex leased space	\$2,774,903	-\$629,570	\$3,350,018	\$54,455	\$0	0.0
Legal services	842,494	437,739	-26,374	431,129	0	0.0
State accounting system (CORE)	164,216	63,420	5,961	94,835	0	0.0
IT accessibility	153,887	41,705	0	112,182	0	0.9
Workers' compensation	115,270	44,518	4,185	66,567	0	0.0
State payroll system (CORE)	10,093	3,897	306	5,890	0	0.0
Vehicle lease payments	4,193	0	168	4,025	0	0.0
Administrative law judge services	897	897	0	0	0	0.0
Office of Information Technology services	-262,528	-104,014	-42,655	-115,859	0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Payments to OIT base reduction	-149,645	-397,369	247,724	0	0	0.0
IT operating offset	-117,021	-43,720	-17,403	-55,898	0	0.0
IT efficiencies	-111,373	-41,610	-16,563	-53,200	0	0.0
Leased space	-4,046	0	0	-4,046	0	0.0
Total	\$3,421,340	-\$624,107	\$3,505,367	\$540,080	\$0	0.9

**Employee compensation common policies:** The bill includes a net increase of \$1.3 million for employee compensation common policies.

#### Employee compensation common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Health, life, and dental	\$1,114,085	\$600,721	\$35,490	\$477,874	\$0	0.0
Health, life, dental true-up	486,612	205,676	15,714	265,222	0	0.0
Step plan	349,211	140,122	12,916	196,173	0	0.0
Unfunded liability amortization payments	69,675	40,613	25,733	3,329	0	0.0
PERA direct distribution	22,079	11,205	5,179	5,695	0	0.0
Paid family and medical leave insurance	3,134	1,827	1,158	149	0	0.0
Short-term disability	338	265	180	-107	0	0.0
Vacancy savings	-643,855	-294,093	-18,968	-330,794	0	0.0
Shift differential	-77,729	0	0	-77,729	0	0.0
Total	\$1,323,550	\$706,336	\$77,402	\$539,812	\$0	0.0

**Office of Administrative Courts (OAC) staff for Medicaid appeals:** The bill includes one-time funding for additional term-limited staff for the Office of Administrative Courts (OAC) to address Medicaid eligibility appeals.

Year 1: The total cost is \$0.9 million. The reappropriated funds are transferred from the Department of Health Care Policy and Financing (HCPF), of which \$0.3 million is General Fund. The request includes 8.1 term-limited FTE.

The OAC provide an independent administrative law adjudication system for state agencies to resolve cases that concern worker's compensation, public benefits (food stamps, Colorado Works/TANF, Medicaid, etc.), professional licensing board work involving license denial, revocation, suspension or other discipline, teacher dismissal cases, and when a citizen has filed a complaint under the Fair Campaign Practices Act. Recent changes to Medicaid policies reinstated the requirement for prior authorization requests (PARs) for long-term home health services. HCPF and DPA estimate that 1,996 appeals of PAR decisions will be sent to the OAC and that 70.0 percent of those appeals will be adjudicated.

**Statewide training system continuation:** The bill includes an increase of \$552,752 reappropriated funds for an online learning platform that provides centralized training for State employees.

**State payroll system common policy:** The bill includes funding for the State's new payroll system.

- Year 1: The total cost is \$0.5 million reappropriated funds. This includes an increase of \$0.8 million reappropriated funds received from other state agencies and 7.5 FTE for administration. This also includes a reduction of -\$0.3 million reappropriated fund for reductions in payments to the Office of Information Technology.
- Year 2: The total cost is \$1.1 million reappropriated funds received from other state agencies and 10.0 FTE.

The new payroll system replaces the current 38+ year-old system. As the new system prepares for deployment, operations and maintenance costs will shift to the Department of Personnel’s operating budget. This system will be the new payroll software used by every state agency and will be part of the statewide operating common policies to ensure all agencies share in the ongoing costs. The cost savings in the first year are from decommissioning the old payroll system.

**State accounting system resources:** The bill includes funding for the purchase of document storage capacity for the state accounting system.

Year 1: The total cost is \$0.4 million reappropriated funds received from other state agencies.

The funding provides for the purchase of document storage capacity through the state accounting system’s vendor. The cost of the vendor is less than half the cost the Department currently pays to the Office of Information Technology. Savings are reflected in the *Payments to OIT* line item through adjustments to the Payments to OIT Common Policy.

**Impacts driven by other agencies:** The bill includes a net increase of \$59,804 for requests from other state agencies.

#### Impacts driven by other agencies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
New state parks expand recreation	\$25,655	\$0	0	\$25,655	\$0	0.0
Threat intelligence	14,400	0	\$0	14,400	0	0.0
Wildlife damage vehicles	13,214	0	0	13,214	0	0.0
State Land Board	3,792	0	0	3,792	0	0.0
Mine safety inspection	2,743	0	0	2,743	0	0.0
<b>Total</b>	<b>\$59,804</b>	<b>\$0</b>	<b>\$0</b>	<b>\$59,804</b>	<b>\$0</b>	<b>0.0</b>

**Technical adjustments:** The bill includes a net decrease of \$4.3 million for technical adjustments to the Department’s budget (see table below).

#### Technical adjustments

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Workers' Comp Base	\$3,733,597	\$0	-\$2,654,695	\$6,388,292	\$0	0.0
Annual Depreciation Lease Equivalent Payments	761,850	761,850	\$0	\$0	0	0.0
Governor's Office transition	10,000	10,000	\$0	\$0	0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Employee benefits fund source	0	-2,978	2,978	0	0	0.0
CORE base	0	0	-5,221,855	5,221,855	0	0.0
OAC base	0	0	1,686,881	-1,686,881	0	0.0
Risk Management Base	-8,343,591	0	17,949,054	-26,292,645	0	0.0
CCLS base	-310,356	0	-3,961,824	3,651,468	0	0.0
Tobacco revenue	-160,777	0	-160,777	0	0	0.0
<b>Total</b>	<b>-\$4,309,277</b>	<b>\$768,872</b>	<b>\$7,639,762</b>	<b>-\$12,717,911</b>	<b>\$0</b>	<b>0.0</b>

**Prior year actions:** The bill includes a net decrease of \$1.8 million for the impacts of prior year budget decisions and legislation.

### Prior year actions

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 25-26 R9 Statewide Planning Services	\$692,189	\$692,189	\$0	\$0	\$0	0.0
HB 26-1164 DPA Supp Bill	490,721	206,375	\$96,265	\$188,081	0	-4.6
HB 25-1296 Tax exp adjust	51,355	0	\$0	51,355	0	0.0
SB 25-168 Prevent wildlife tracking	14,000	0	0	14,000	0	0.0
HB 24-1365 Opp Now grant tax crdt	3,101	0	0	3,101	0	0.0
HB 24-1325 Tax crdt quantum ind	3,098	0	0	3,098	0	0.0
HB 23-1272 Advance decarb	2,935	0	0	2,935	0	0.0
FY 25-26 R1 OAC Staffing	2,856	0	0	2,856	0	0.3
HB 24-1249 Tax crdt ag stewardship	2,602	0	0	2,602	0	0.0
SB 24-190 Rail & coal trans comm econ	2,585	0	0	2,585	0	0.0
HB 24-1134 Adjust to tax exp reduce burden	1,032	0	0	1,032	0	0.0
Contract escalator	544	544	0	0	0	0.0
FY 25-26 BA1 Risk management & property	-1,635,066	-631,474	-59,367	-944,225	0	0.0
FY 23-24 R11 Empl. Engagement surveys	-300,000	-300,000	0	0	0	0.0
SB 14-214 PERA Studies/Actuarial Firm	-124,999	-124,999	0	0	0	0.0
HB 25-1153 Language Access	-100,000	-100,000	0	0	0	0.0
FY 24-25 R3 Apprentice/skills group	-96,287	-96,287	0	0	0	-1.5
HB 23-1008 Food accessibility	-48,437	0	0	-48,437	0	0.0
HB 25B-1005 Elim state sales tax vend	-36,383	0	0	-36,383	0	0.0
HB 24-1311 Family afford tax crdt	-24,917	0	0	-24,917	0	0.0
HB 24-1268 Fin assist low-income	-11,897	0	0	-11,897	0	0.0
HB 24-1439 Incent expand apprentice	-5,524	0	0	-5,524	0	0.0
HB 25-1154 Comm svcs people disabilities	-3,674	0	0	-3,674	0	0.0
HB 24-1157 Employee-owned bus tax crdt	-2,581	0	0	-2,581	0	0.0
HB 24-1312 Careworkers incm tax crdt	-516	0	0	-516	0	0.0
HB 24-1340 Incent for post-sec edu	-507	0	0	-507	0	0.0
<b>Total</b>	<b>-\$1,123,770</b>	<b>-\$353,652</b>	<b>\$36,898</b>	<b>-\$807,016</b>	<b>\$0</b>	<b>-5.8</b>

**General Fund reductions:** The bill includes an ongoing reduction of \$316,580 General Fund to the Statewide Planning Services line item in the Office of the State Architect, and an ongoing reduction of \$175,000 General Fund to the State Procurement Equity Program.

# Public Health and Environment

The Department of Public Health and Environment is responsible for protecting and improving the health of the people of Colorado and ensuring the quality of Colorado's environment.

## Department of Public Health and Environment

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation	\$869,350,826	\$138,790,726	\$342,268,981	\$63,518,092	\$324,773,027	1,857.6
Long Bill supplemental - footnote	0	0	0	0	0	0.0
<b>FY 2025-26 Adjusted Appropriation</b>	<b>\$869,350,826</b>	<b>\$138,790,726</b>	<b>\$342,268,981</b>	<b>\$63,518,092</b>	<b>\$324,773,027</b>	<b>1,857.6</b>
<b>Changes from FY 2025-26 Appropriation</b>						
Technical adjustments	\$6,309,109	\$0	\$6,309,109	\$0	\$0	2.9
Employee compensation common policies	5,553,505	-235,119	4,941,370	768,655	78,599	0.0
Closed landfill remediation grants	5,079,079	0	5,079,079	0	0	0.0
Laboratory renewal	1,962,573	1,962,573	0	0	0	18.8
Tobacco revenue adjustments	604,361	-31,632	113,426	522,567	0	0.0
CDPHE utilities	67,773	0	0	67,773	0	0.0
Construction sector GF refinance	0	-326,762	326,762	0	0	0.0
Refinance GF for health service corps	0	-400,000	400,000	0	0	0.0
Mobile sources opex realignment	-21,734,951	0	-21,734,951	0	0	0.0
Prior year actions	-3,728,642	554,929	-1,652,838	-53,884	-2,576,849	-5.2
Reduce health disparities grants	-2,500,000	-2,500,000	0	0	0	0.0
Reduce LPHA distributions	-1,500,000	-1,500,000	0	0	0	0.0
Clean water in schools	-1,099,600	-1,099,600	0	0	0	-7.0
Mobile home park water quality	-1,000,000	-1,000,000	0	0	0	0.0
Reduce CARE network	-677,020	-677,020	0	0	0	0.0
Eliminate community behavioral health program	-581,212	-581,212	0	0	0	-2.0
Reduce mental health first aid	-210,000	-210,000	0	0	0	0.0
Operating common policies	-169,225	-729,131	-145,855	673,172	32,589	1.0
<b>Total FY 2026-27 Long Bill Appropriation</b>	<b>\$855,726,576</b>	<b>\$132,017,752</b>	<b>\$335,905,083</b>	<b>\$65,496,375</b>	<b>\$322,307,366</b>	<b>1,866.1</b>
\$ Change from prior year	-\$13,624,250	-\$6,772,974	-\$6,363,898	\$1,978,283	-\$2,465,661	8.5
% Change from prior year	-1.6%	-4.9%	-1.9%	3.1%	-0.8%	0.5%

Changes are assumed to be ongoing unless otherwise noted.

## Description of Recommended Changes

### FY 2025-26

**State lab roll-forward:** The bill includes a footnote to allow roll-forward authority through FY 2026-27 for \$296,053 General Fund that is for a historical data review of water testing results.

## FY 2026-27

**Technical adjustments:** The bill includes a net increase of \$6.3 million due to technical adjustments for changes to align with the tobacco revenue forecast, legal costs for the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), and Marijuana Tax Cash Fund balancing adjustments.

### Technical adjustments

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Admin and FTE adjust for tobacco ed	\$6,223,809	\$0	\$6,223,809	\$0	\$0	2.8
Transfer to Dept of Law for CERCLA costs	85,510	0	85,510	0	0	0.0
FTE clean-up	0	0	0	0	0	0.1
MTCF balancing	-210	0	-210	0	0	0.0
<b>Total</b>	<b>\$6,309,109</b>	<b>\$0</b>	<b>\$6,309,109</b>	<b>\$0</b>	<b>\$0</b>	<b>2.9</b>

**Employee compensation common policies:** The bill includes a net increase of \$5.6 million for employee compensation common policies. A common policy refers to general policies applied consistently to all departments.

### Employee compensation common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Health, life, and dental	\$5,483,574	\$393,505	\$3,703,511	\$481,038	\$905,520	0.0
Health, life, dental true-up	2,573,703	438,770	960,825	324,554	849,554	0.0
Step plan	723,888	138,031	267,206	75,773	242,878	0.0
PERA direct distribution	227	-300,167	184,592	115,802	0	0.0
Vacancy savings	-3,085,961	-521,282	-1,251,936	-281,607	-1,031,136	0.0
Unfunded liability amortization payments	-134,909	-360,232	1,018,788	51,110	-844,575	0.0
Paid family and medical leave insurance	-6,071	-22,341	52,480	1,446	-37,656	0.0
Short-term disability	-946	-1,403	5,904	539	-5,986	0.0
<b>Total</b>	<b>\$5,553,505</b>	<b>-\$235,119</b>	<b>\$4,941,370</b>	<b>\$768,655</b>	<b>\$78,599</b>	<b>0.0</b>

**Closed landfill remediation grants:** The bill includes a one-time increase in funding for closed landfill remediation grants to local governments.

Year 1: An increase of \$5.1 million cash funds from the Closed Landfill Remediation Grant Fund.

**Laboratory renewal:** The bill funds existing staff across the state laboratory that were primarily funded with expiring COVID-19 federal funds.

Year 1: An increase of \$2.0 million General Fund and 18.8 FTE.

**Tobacco revenue adjustments:** The bill includes a net increase of \$604,361 total funds to adjust for the Governor's Office of State Planning and Budgeting's FY 2026-27 revenue projections for the Tobacco Master Settlement Agreement, Amendment 35 tax, and Proposition EE tax. The adjustment also includes a decrease of \$31,632 General Fund that is exempt from the TABOR revenue cap.

**CDPHE utilities:** The bill includes increased funding for utilities expenses.

Year 1: An increase of \$67,773 reappropriated funds.

This funding is for higher-than-expected utilities costs. Over the last decade, the Department’s utilities expenses will have only grown 29 percent, below the inflation rate of 40 percent over the same period.

**Construction sector General Fund refinance:** The bill includes a net neutral refinance of General Fund to cash funds for the next two fiscal years in the Construction Sector line item.

Year 1 and 2 only: A decrease of \$326,762 General Fund and an equal increase from the Clean Water Cash Fund.

**Refinance GF for health service corps:** The bill includes a one-time refinance for the Colorado Health Service Corps educational loan repayment program.

Year 1: A decrease of \$400,000 General Fund and an increase of \$400,000 Colorado Health Service Corps Cash Fund.

**Mobile Sources operating expense realignment:** The bill includes a reduction in the Mobile Sources, Operating Expenses line item to align appropriations with available funds.

Year 1: A decrease of \$21.7 million from the Electrifying School Buses Grant Fund.

**Prior year actions:** The bill includes a net decrease of \$3.7 million for the impact of prior year budget decisions and legislation.

**Prior year actions**

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 24-25 R10 HB 23-1257 implement savings	\$1,141,880	\$1,141,880	\$0	\$0	\$0	0.0
SB 25-285 Update food inspect fees	346,677	0	346,677	0	0	0.0
FY 24-25 R3 HB 24-1417 Health facility funding	313,402	-167,630	481,032	0	0	0.0
HB 21-1286 Energy perform. for bldgs	194,564	194,564	0	0	0	1.8
HB 24-1379 Reg dredge & fill	104,585	-370,921	475,506	0	0	0.0
SB 25-130 Providing EMS	98,070	0	98,070	0	0	0.3
SB 25-008 Adj. necessary doc storage	48,945	48,945	0	0	0	0.3
FY 23-24 R15 DETC lease space	1,522	0	1,522	0	0	0.0
FY 25-26 Salary survey	-2,075,600	-1,549	-1,228	0	-2,072,823	0.0
FY 24-25 BA1 Closed landfills	-1,608,270	0	-1,608,270	0	0	0.0
HB 24-1338 Cumulative impacts env. just.	-1,297,241	-1,297,241	0	0	0	-3.0
HB 26-1165 Supplemental	-581,487	1,251,867	-1,421,147	-53,884	-358,323	-4.0
HB 23-1213 Stop the Bleed	-156,045	-156,045	0	0	0	-0.1
FY 25-26 Step Plan	-145,703	0	0	0	-145,703	0.0
HB 24-1262 Maternal health midwives	-43,063	-43,063	0	0	0	-0.5
HB 25-1082 Qualified individuals death cert	-25,000	0	-25,000	0	0	0.0
SB 24-142 School oral health screenings	-23,846	-23,846	0	0	0	0.0
SB 24-037 Study grn. infrastr. for water qual.	-22,032	-22,032	0	0	0	0.0
<b>Total</b>	<b>-\$3,728,642</b>	<b>\$554,929</b>	<b>-\$1,652,838</b>	<b>-\$53,884</b>	<b>-\$2,576,849</b>	<b>-5.2</b>

**Reduce health disparities grant:** The bill reduces funding for the Health Disparities and Community Grant Program.

Year 1: A decrease of \$2.5 million General Fund.

**Reduce LPHA distributions:** The bill reduces funding for Local Public Health Agency (LPHA) distributions. About 90.0 percent of the reduction comes from local planning and support dollars (per capita funding).

Year 1: A decrease of \$1.5 million General Fund.

**Clean Water in Schools:** The bill includes a reduction due to the end of the Test and Fix Water for Kids Program.

Year 1: A decrease of \$1.1 million General Fund and 7.0 FTE.

The Department plans to extend the program as wholly cash funded, with H.B. 26-1391 (Safe Drinking Water in Child Care Centers & Schools) including these appropriations.

**Mobile Home Park Water Quality:** The bill includes a reduction in spending on the Mobile Home Park Water Quality Program.

Year 1: A decrease of \$1.0 million General Fund.

**Reduce CARE network:** The bill reduces funding for the Child Abuse Response and Evaluation (CARE) Network.

Year 1: A decrease of \$677,020 General Fund.

**Eliminate community behavioral health program:** The bill eliminates funding for the Community Behavioral Health Disaster Program. The program will remain in statute without state funding.

Year 1: The decrease of \$581,212 General Fund and 2.0 FTE.

**Reduce mental health first aid:** The bill reduces funding for Mental Health First Aid training by 45.6 percent.

Year 1: A decrease of \$210,000 General Fund.

**Operating common policies:** The bill includes a net decrease of \$169,225 for operating common policies.

### Operating common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
State accounting and payroll system (CORE)	\$610,320	\$63,739	\$0	\$546,581	\$0	0.0
Legal services	420,290	91,547	99,527	229,216	0	0.0
Workers' compensation	158,926	251	0	158,675	0	0.0
IT accessibility	154,755	0	0	154,755	0	1.0
Vehicle lease payments	26,498	2,273	21,820	2,405	0	0.0
Capitol Complex leased space	10,662	786	0	9,876	0	0.0
Office of Information Technology base reduction	0	-403,955	0	403,955	0	0.0
Risk management & property	-795,831	-257,019	0	-538,812	0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
IT operating offset	-349,891	-148,355	-191,161	-10,375	0	0.0
Statewide indirect costs	-189,287	0	37,408	-259,284	32,589	0.0
IT efficiencies	-128,709	-54,573	-70,319	-3,817	0	0.0
Office of Information Technology services	-73,769	-19,872	-42,918	-10,979	0	0.0
Administrative law judge services	-13,189	-3,953	-212	-9,024	0	0.0
<b>Total</b>	<b>-\$169,225</b>	<b>-\$729,131</b>	<b>-\$145,855</b>	<b>\$673,172</b>	<b>\$32,589</b>	<b>1.0</b>

# Public Safety

The Department of Public Safety is responsible for maintaining, promoting, and enhancing public safety through law enforcement, criminal investigations, fire and crime prevention, emergency management, recidivism reduction, and victim advocacy.

## Department of Public Safety

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation	\$790,557,236	\$273,599,432	\$355,130,377	\$91,876,868	\$69,950,559	2,385.3
<b>Changes from FY 2025-26 Appropriation</b>						
Employee comp. common policies	\$16,223,672	\$3,619,671	\$11,209,181	\$1,189,942	\$204,878	0.0
Prior year actions	12,448,007	-420,402	13,395,620	-707,552	180,341	-5.7
Backfill federal funds for DHSEM	4,461,131	4,461,131	0	0	0	29.7
Community corrections caseload and per-diem	1,500,000	1,500,000	0	0	0	0.0
Technical adjustments	1,335,539	-884,173	247,566	1,959,110	13,036	-9.6
DTRS spending authority	1,020,685	0	0	1,020,685	0	0.0
Wildfire Resiliency Code enforcement	713,409	-99,586	812,995	0	0	5.0
Centralize community corrections referrals	400,000	400,000	0	0	0	0.0
Reallocate school safety funds	350,000	0	0	350,000	0	0.0
School construction inspections	273,212	0	273,212	0	0	2.0
CO access to the Reg. Info. Sharing Sys.	0	0	0	0	0	0.0
Prop. 130 administration	0	0	0	0	0	3.0
DCJ cash funds adjustment	-15,347,504	0	-15,347,504	0	0	0.0
Eliminate GF in the CATPA	-6,692,662	-7,651,632	958,970	0	0	0.0
Operating common policies	-2,873,832	-4,930,624	2,913,089	-945,134	88,837	0.9
GF red. to Admin in the EDO	-1,793,855	0	-697,373	-1,096,482	0	0.0
GF reduction from fire investigations	-761,157	-685,257	500,000	-575,900	0	0.0
DCJ General Fund reduction	-306,609	-306,609	0	0	0	0.0
GF reduction from DHSEM	-296,893	-296,893	0	0	0	0.0
GF reduction from CO Crime Info Center	-187,543	-184,111	0	-3,432	0	0.0
GF reduction from CICJIS	-96,773	-96,773	0	0	0	0.0
Eliminate GF to Witness Protection	-50,000	-50,000	50,000	-50,000	0	0.0
<b>Total FY 2026-27 Long Bill Appropriation</b>	<b>\$800,876,063</b>	<b>\$267,974,174</b>	<b>\$369,446,133</b>	<b>\$93,018,105</b>	<b>\$70,437,651</b>	<b>2,410.6</b>
\$ Change from prior year	\$10,318,827	-\$5,625,258	\$14,315,756	\$1,141,237	\$487,092	25.3
% Change from prior year	1.3%	-2.1%	4.0%	1.2%	0.7%	1.1%

Changes are assumed to be ongoing unless otherwise noted.

# Description of Recommended Changes

**Employee compensation common policies:** The bill includes a net increase of \$16.2 million for employee compensation common policies. A common policy refers to general policies applied consistently to all departments.

## Employee compensation common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Salary survey	\$6,345,807	\$221,317	\$5,793,475	\$284,528	\$46,487	0.0
Health, life, and dental	5,747,242	1,810,605	3,070,905	794,523	71,209	0.0
Health, life, dental budget amendment	2,820,258	2,299,756	225,622	260,743	34,137	0.0
Unfunded liability amortization payments	1,041,600	233,096	714,912	67,614	25,978	0.0
Step plan	992,204	380,415	502,763	90,840	18,186	0.0
PERA direct distribution	84,180	19,130	61,672	3,378	0	0.0
Paid family and medical leave insurance	46,870	10,487	32,171	3,043	1,169	0.0
Short-term disability	7,294	1,632	5,004	474	184	0.0
Vacancy savings	-683,476	-1,282,883	869,617	-270,338	128	0.0
Shift differential	-178,307	-73,884	-66,960	-44,863	7,400	0.0
<b>Total</b>	<b>\$16,223,672</b>	<b>\$3,619,671</b>	<b>\$11,209,181</b>	<b>\$1,189,942</b>	<b>\$204,878</b>	<b>0.0</b>

**Prior year actions:** The bill includes a net increase of \$12.5 million for the impact of prior year budget decisions and legislation.

## Prior year actions

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SB 25-310 Prop 130 implementation	\$14,993,330	\$0	\$14,993,330	\$0	\$0	0.0
HB 25-1098 Automated notify victim	250,000	0	250,000	0	0	0.0
Prior year threat assessment adjust.	100,000	100,000	0	0	0	0.0
HB 24-1219 First responder health benefit trusts	100,000	100,000	0	0	0	0.0
HB 24-1054 Jail standards recommend.	30,500	15,250	0	15,250	0	0.0
SB 25-034 Voluntary do-not-sell firearms waiver	26,000	26,000	0	0	0	0.0
SB 25-050 Racial class. on gov. forms	17,740	17,740	0	0	0	0.0
FY 23-24 VINE upgrade	4,739	4,739	0	0	0	0.0
SB 25-179 Sunset identity theft & fin. fraud deter.	0	453,271	-453,271	0	0	0.0
HB 26-1166 Supplemental Bill	-2,140,754	-1,062,174	-536,871	-722,050	180,341	-1.3
HB 25-1209 Marijuana Reg. Streamline	-238,685	0	-238,685	0	0	-1.3
HB 24-1353 Firearms Dealer Req. and Permit	-218,175	0	-218,175	0	0	-1.2
SB 24-010 Dentist and Dental Hygienist Compact	-109,273	0	-109,273	0	0	-0.6
HB 24-1002 Social Worker Licensure Compact	-104,129	0	-104,129	0	0	-0.6
FY 25-26 Training sex offense victim reps.	-100,000	0	-100,000	0	0	0.0
SB 24-018 Phys. assistant licensure compact	-51,701	0	-51,701	0	0	-0.3
FY 25-26 Salary survey	-41,720	-40,968	0	-752	0	0.0
SB 24-173 Regulate mortuary science occupations	-35,605	0	-35,605	0	0	-0.2
SB 25-007 Inc. Prescribed Burns	-14,250	-14,250	0	0	0	-0.2
HB 24-1133 Criminal record sealing & expungement	-13,340	-13,340	0	0	0	0.0
HB 25-1146 Juvenile detention bed cap	-6,670	-6,670	0	0	0	0.0
<b>Total</b>	<b>\$12,448,007</b>	<b>-\$420,402</b>	<b>\$13,395,620</b>	<b>-\$707,552</b>	<b>\$180,341</b>	<b>-5.7</b>

**Backfill Federal Funding for DHSEM:** The bill increases General Fund appropriated to the Division of Homeland Security and Emergency Management to continue disaster mitigation and prevention programs that have historically been paid with federal funds.

- Year 1: An increase of \$4.5 million.
- Year 2: Increases to \$5.3 million.

**Community corrections caseload and per-diem:** The bill includes funding for an increase of about 60 community corrections beds and a per-diem rate increase of 1.55%. The related footnote assumes that providers may collect subsistence fees up to \$20 per day, but does not require it. The assumption is a ceiling, not a floor.

Year 1: An increase of \$1.5 million General Fund.

The bill also reallocates \$1.06 million General Fund from the *Community Corrections Facility Payments* line item to the *Community Corrections Placements* line item to support the 1.55% per-diem rate increase. The remaining appropriation of \$1.9 million in the *Facility Payments* line item ensures that the FY 2026-27 facility payment for 12 smaller community corrections facilities stays at FY 2025-26 levels.

**Technical adjustments:** The bill relocates various line items and adjusts appropriations to accurately represent costs associated with cash funded programs.

**Digital Trunked Radio System (DTRS) spending authority:** The bill increases spending authority from the Public Safety Communications Revolving Fund.

Year 1: An increase of \$1.0 million reappropriated funds.

**Wildfire Resiliency Code enforcement:** The bill increases spending authority from the Wildfire Resiliency Code Board Cash Fund, reduces the General Fund appropriation to the fund, and adds a new Wildfire Resiliency Code Enforcement line item.

Year 1: An increase of \$0.7 million total funds including a decrease of \$0.1 million General Fund and an increase of \$0.8 million from the Wildfire Resiliency Code Board Cash Fund with an associated 5.0 FTE.

**Centralize community corrections referrals:** The bill provides funding for the Office of Community Corrections to centralize community corrections referrals from the courts and the Department of Corrections. Referrals are not currently routed through the Office of Community Corrections, which limits the State's ability to efficiently manage the system.

Year 1: A one-time increase of \$0.4 million General Fund.

**Reallocate school safety funds:** The bill includes a General Fund reallocation within the Office of School Safety to provide more funding for School Security Disbursement Grants.

Year 1: A budget neutral reallocation of \$0.4 million General Fund and an increase of an equal amount of reappropriated funds.

**School construction inspections:** The bill increases spending authority from the Public School Construction and Inspection Fund for anticipated increases in school construction projects.

Year 1: An increase of \$0.3 million from the Public School Construction and Inspection Fund and 2.0 FTE.

**CO access to the Regional Information Sharing System:** The bill includes a budget neutral reallocation of General Fund within the Executive Director’s Office to allow all public safety agencies statewide to access the Regional Information Sharing System.

Year 1: A budget neutral reallocation of \$18,000 General Fund.

**Prop. 130 administration:** The bill includes funding for 3.0 FTE to administer distributions to local law enforcement agencies pursuant to S.B. 25-310 and Proposition 130.

Year 1: A budget neutral reallocation of \$265,034 cash funds from the Peace Officer Training and Support Fund.

**Division of Criminal Justice (DCJ) cash funds adjustment:** The bill reflects expected expenses for three DCJ grant programs.

Year 1: A reduction of \$15.3 million across three separate cash funds.

The reduction affects the following cash funds and programs:

- Multidisciplinary Crime Prevention and Crisis Intervention
- Law Enforcement Workforce Recruitment, Retention, and Tuition
- SMART Policing

**Eliminate General Fund in the Colorado Auto Theft Prevention Authority:** The bill eliminates the General Fund appropriation and increases cash fund spending authority for the Colorado Auto Theft Prevention Authority (CATPA).

Year 1: A reduction of \$6.7 million total funds, including \$7.7 million General Fund. An increase of \$1.0 million spending authority from the Auto Theft Prevention Cash Fund and the Highway Users Tax Fund allocation to State Patrol.

**Operating common policies:** The bill includes a net decrease of \$2.9 million for operating common policies.

**Operating common policies**

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Vehicle lease payments	\$1,432,533	\$310,622	\$946,801	\$118,127	\$56,983	0.0
Workers’ compensation	721,770	721,770	\$0	0	0	0.0
Office of Information Technology services	654,439	-1,123,593	2,127,451	-349,419	0	0.0
State accounting and payroll system (CORE)	329,074	0	0	329,074	0	0.0
Capitol Complex leased space	323,233	141,971	106,508	74,754	0	0.0
IT accessibility	153,887	153,887	0	0	0	0.9
Digital trunked radios	59,060	149,779	6,182	-87,016	-9,885	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Administrative law judge services	1,855	1,855	0	0	0	0.0
Dispatch services	0	0	-161,076	141,193	19,883	0.0
Risk management & property	-3,786,645	-2,724,777	0	-1,061,868	0	0.0
Office of Information Technology base reduction	-2,000,000	-2,000,000	0	0	0	0.0
IT operating offset	-447,924	-393,843	-52,713	-1,368	0	0.0
IT efficiencies	-191,405	-168,295	-22,525	-585	0	0.0
Legal services	-108,026	0	0	-108,026	0	0.0
Departmental indirect costs	-15,683	0	-37,539	0	21,856	0.0
<b>Total</b>	<b>-\$2,873,832</b>	<b>-\$4,930,624</b>	<b>\$2,913,089</b>	<b>-\$945,134</b>	<b>\$88,837</b>	<b>0.9</b>

**GF reduction to Admin in the EDO:** The bill reduces appropriations to the Personal Services line within the Executive Director’s Office.

Year 1: A reduction of \$1.8 million total funds including \$0.7 cash funds and \$1.1 million reappropriated funds from various sources.

**GF reduction from fire investigations:** The bill reduces the General Fund appropriation to the Fire Investigation Cash Fund, establishes of a Fire Investigations Administration line item, and reduces the Fire Investigation Reimbursements line item.

Year 1: A reduction of \$0.8 million total funds including \$0.7 million General Fund.

**DCJ General Fund reduction:** The bill reduces the General Fund appropriation for three line items in the Division of Criminal Justice (DCJ).

Year 1: A reduction of \$306,609 General Fund.

#### Reductions by line item

Line item	Amount	Impact
DCJ Administrative Service	-\$185,222	Less travel, conferences, and training to staff and stakeholders.
Juvenile Diversion Programs	-99,439	Reduced consultant services and facilitators for subcommittees
Sex Offender Surcharge Fund Program	-21,948	Less travel and training opportunities for staff
<b>Total</b>	<b>-\$306,609</b>	

**GF reduction from DHSEM:** The bill reduces the General Fund appropriation to various lines within the Division of Homeland Security and Emergency Management.

Year 1: A reduction of \$0.3 million General Fund.

**GF reduction from CO Crime Information Center:** The bill reduces the General Fund appropriation to the Colorado Crime Information Center within the Colorado Bureau of Investigation.

Year 1: A reduction of \$0.2 million General Fund.

**GF reduction from CO Integrated Criminal Justice Info System:** The bill reduces the General Fund Appropriation to the CO Integrated Criminal Justice Information System (CICJIS).

Year 1: A reduction of \$0.1 million General Fund.

**Eliminate General Fund to the Witness Protection Fund:** The bill eliminates the General Fund appropriation to the Witness Protection Fund.

Year 1: A reduction of \$50,000 General Fund.

# Regulatory Agencies

The Department of Regulatory Agencies is responsible for consumer protection, which is carried out through regulatory programs that license, establish standards, approve rates, and investigate complaints. The Department enforces rules and regulations through boards, commissions, and advisory committees across a variety of professions, occupations, programs, and institutions.

## Department of Regulatory Agencies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation	\$139,063,404	\$3,753,059	\$125,601,762	\$7,647,638	\$2,060,945	728.6
Changes from FY 2025-26 Appropriation						
Employee compensation common policies	\$3,550,951	\$159,867	\$3,332,352	\$155,549	-\$96,817	0.0
Prior year actions	131,053	-638,477	799,040	-24,204	-5,306	-3.8
Refinance of General Fund in the EDO	0	-305,266	305,266	0	0	0.0
Operating common policies	-1,743,336	-2,806	-1,743,213	3,822	-1,139	0.9
Leased space reduction	-1,718,508	121,811	-1,531,167	-288,318	-20,834	0.0
HB 25-1154 annualization correction	-700,000	0	-700,000	0	0	0.0
Base reduction to Div. of Insurance and Civil Rights Div.	-401,502	-56,502	-345,000	0	0	0.0
Technical adjustments	-123,721	-3,224	-178,062	-13,312	70,877	0.0
<b>Total FY 2026-27 Long Bill Appropriation</b>	<b>\$138,058,341</b>	<b>\$3,028,462</b>	<b>\$125,540,978</b>	<b>\$7,481,175</b>	<b>\$2,007,726</b>	<b>725.7</b>
\$ Change from prior year	-\$1,005,063	-\$724,597	-\$60,784	-\$166,463	-\$53,219	-2.9
% Change from prior year	-0.7%	-19.3%	0.0%	-2.2%	-2.6%	-0.4%

Changes are assumed to be ongoing unless otherwise noted.

## Description of Recommended Changes

**Employee compensation common policies:** The bill includes a net increase of \$3.6 million for employee compensation common policies. A common policy refers to general policies applied consistently to all departments.

### Employee compensation common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Health, life, and dental	\$2,806,641	\$123,631	\$2,633,055	\$79,133	-\$29,178	0.0
Health, life, dental true-up	736,477	20,631	656,690	51,412	7,744	0.0
Unfunded liability amortization payments	468,578	33,686	496,808	-10,253	-51,663	0.0
Step plan	466,116	25,808	331,132	109,176	0	0.0
PERA direct distribution	37,378	5,106	49,115	-6,086	-10,757	0.0
Paid family and medical leave insurance	21,086	1,528	22,318	-431	-2,329	0.0
Short-term disability	3,280	238	3,471	-68	-361	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Vacancy savings	-988,605	-50,761	-860,237	-67,334	-10,273	0.0
<b>Total</b>	<b>\$3,550,951</b>	<b>\$159,867</b>	<b>\$3,332,352</b>	<b>\$155,549</b>	<b>-\$96,817</b>	<b>0.0</b>

**Prior year actions:** The bill includes a net increase of \$0.1 million for the impact of prior year budget decisions and legislation.

#### Prior year actions

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SB 24-010 Dentist and dental hygienist compact	\$258,514	\$0	\$258,514	\$0	\$0	0.5
HB 23-1201 Pres drug benefits contract terms	250,000	0	250,000	0	0	0.0
HB 24-1111 Cosmetology licensure compact	199,015	0	199,015	0	0	-0.2
SB 24-018 Physician assistant licensure compact	166,509	0	166,509	0	0	0.2
HB 25-1002 Social work license compact	68,014	0	68,014	0	0	-0.6
SB 24-207 Access to distributed generation	33,756	0	33,756	0	0	0.2
HB 25-1154 Comm services for ppl with disab enterp	33,435	0	33,435	0	0	0.0
HB 25-1284 Regulating apprentices in licensed trades	30,000	0	30,000	0	0	0.0
SB 25-165 Licensure of electricians	27,544	0	27,544	0	0	0.4
HB 24-1030 Railroad safety requirements	12,687	0	12,687	0	0	0.0
HB 25-1094 Pharmacy benefit manager practices	7,554	0	7,554	0	0	0.1
HB 24-1153 Physician continuing education	5,502	0	5,502	0	0	0.1
FY 25-26 Salary survey	0	0	0	0	0	0.0
FY 25-26 Step Plan	0	0	0	0	0	0.0
HB 26-1167 Supplemental bill	-418,098	-638,477	249,889	-24,204	-5,306	0.0
SB 24-218 Modernize energy distribution systems	-387,150	0	-387,150	0	0	-3.5
SB 23-189 Inc access to reproductive care	-50,000	0	-50,000	0	0	0.0
SB 24-073 Max employees for small employer	-44,395	0	-44,395	0	0	-0.4
SB 24-141 Out-of-state telehealth providers	-25,363	0	-25,363	0	0	-0.3
HB 24-1108 Ins. commissioner study ins market	-19,909	0	-19,909	0	0	-0.2
HB 24-1315 Study remediation of property damage	-9,954	0	-9,954	0	0	-0.1
SB 24-173 Regulate mortuary science occupations	-6,608	0	-6,608	0	0	0.0
<b>Total</b>	<b>\$131,053</b>	<b>-\$638,477</b>	<b>\$799,040</b>	<b>-\$24,204</b>	<b>-\$5,306</b>	<b>-3.8</b>

**Refinance of General Fund in the EDO:** The bill refinances a portion of General Fund within the Executive Director's Office with cash funds from the Department's Indirect Cost Excess Recovery Fund.

Year 1: A one-time savings of \$0.3 million General Fund.

**Operating common policies:** The bill includes a net decrease of \$1.7 million for operating common policies.

#### Operating common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
State accounting system (CORE)	\$196,203	\$7,600	\$176,103	\$10,102	\$2,398	0.0
IT accessibility	153,887	0	153,887	0	0	0.9
Workers' compensation	47,867	1,451	44,122	1,667	627	0.0
State payroll system (CORE)	14,086	0	13,916	170	0	0.0
Legal services	-1,012,187	2,172	-1,010,646	-2,125	-1,588	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Administrative law judge services	-345,413	-8,223	-337,190	0	0	0.0
Vehicle lease payments	-262,554	0	-262,554	0	0	0.0
Office of Information Technology base reduction	-200,000	0	-200,000	0	0	0.0
Risk management & property	-171,897	-5,806	-157,632	-5,883	-2,576	0.0
Office of Information Technology services	-163,328	0	-163,219	-109	0	0.0
<b>Total</b>	<b>-\$1,743,336</b>	<b>-\$2,806</b>	<b>-\$1,743,213</b>	<b>\$3,822</b>	<b>-\$1,139</b>	<b>0.9</b>

**Leased space reduction:** The bill reduces the Leased Space line item within the Executive Director’s Office (EDO).

- Year 1: A total reduction of \$1.7 million, including an increase of \$121,811 General Fund.
- Year 2: A total reduction of \$2.5 million, including a reduction of \$34,935 General Fund.

**H.B. 25-1154 annualization correction:** The bill corrects the annualization of H.B. 25-1154 (Communication Services for People with Disabilities Enterprise).

Year 1: A reduction of \$0.7 million from the Telephone Users with Disabilities Cash Fund.

**Base reduction to the Division of Insurance and the Colorado Civil Rights Division:** The bill reduces appropriations to in the Colorado Civil Rights Division (CCRD) and the Division of Insurance (DOI).

Year 1: A reduction of \$401,502 General Fund. This total includes a reduction of \$345,000 from the Division of Insurance Cash Fund, which comes from insurance premium taxes and will be diverted to the General Fund.

**Technical adjustments:** The bill includes a net decrease of \$0.1 million for fund source and indirect cost adjustments.

#### Technical Adjustments

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Cash fund adjustments	\$23,093	\$0	\$23,093	\$0	\$0	0.0
Sunsetting programs funds adjust.	0	-3,224	16,536	-13,312	0	0.0
Departmental indirect cost adjustment	-141,632	0	-212,509	0	70,877	0.0
Securities fraud DOL request	-5,182	0	-5,182	0	0	0.0
<b>Total</b>	<b>-\$123,721</b>	<b>-\$3,224</b>	<b>-\$178,062</b>	<b>-\$13,312</b>	<b>\$70,877</b>	<b>0.0</b>

# Revenue

The Department of Revenue is organized into several functional groups: Taxation Business Group, Division of Motor Vehicles, the Specialized Business Group, and the State Lottery Division. The Taxation Business Group collects taxes and other revenue for the state and for many local governments and assists taxpayers in tax related matters. The Division of Motor Vehicles issues driver licenses and identification documents, oversees vehicle inspection stations, and registers and titles vehicles. The Specialized Business Group regulates a large variety of industries in the following Divisions: Limited Gaming, Sports Betting, Liquor and Tobacco Enforcement, Racing Events, Auto Industry, Marijuana Enforcement, Natural Medicine, and Firearm Dealers. The State Lottery Division oversees and operates Colorado lottery games and multi-state jackpot participation for Colorado players and is an Enterprise Division under TABOR.

## Department of Revenue

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation	\$556,765,118	\$154,318,686	\$392,146,109	\$9,448,191	\$852,132	1,819.3
<b>Changes from FY 2025-26 Appropriation</b>						
Employee compensation common policies	\$8,069,068	\$3,585,131	\$4,467,265	\$16,672	\$0	0.0
Technical adjustments	3,153,326	1,672,079	1,481,247	0	0	0.0
Taxation services resources	1,044,119	1,044,119	0	0	0	11.5
DMV realignment	0	0	0	0	0	0.0
OSPB March forecast	-9,685,478	-9,685,478	0	0	0	0.0
Reduction to lottery marketing	-5,024,763	0	-5,024,763	0	0	0.0
General fund reductions	-1,296,498	-1,296,498	0	0	0	0.0
Operating common policies	-178,890	-1,442,252	314,469	948,893	0	0.9
Prior year actions	-135,116	288,253	-420,389	-2,980	0	6.5
<b>Total FY 2026-27 Long Bill Appropriation</b>	<b>\$552,710,886</b>	<b>\$148,484,040</b>	<b>\$392,963,938</b>	<b>\$10,410,776</b>	<b>\$852,132</b>	<b>1,838.2</b>
\$ Change from prior year	-\$4,054,232	-\$5,834,646	\$817,829	\$962,585	\$0	18.9
% Change from prior year	-0.7%	-3.8%	0.2%	10.2%	0.0%	1.0%

Changes are assumed to be ongoing unless otherwise noted.

## Description of Recommended Changes

**Employee compensation common policies:** The bill includes a net increase of \$8.1 million for employee compensation common policies. A common policy refers to general policies applied consistently to all departments.

### Employee compensation common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Health, life, and dental	\$5,746,491	\$2,600,986	\$3,135,852	\$9,653	\$0	0.0
Health, life, dental true-up	1,962,579	846,470	1,108,502	7,607	0	0.0
Step plan	1,957,950	945,079	1,004,964	7,907	0	0.0
Unfunded liability amortization payments	363,763	181,911	181,422	430	0	0.0
Shift differential	88,180	0	88,180	0	0	0.0
Paid family and medical leave insurance	16,370	8,186	8,164	20	0	0.0
Short-term disability	1,708	1,273	432	3	0	0.0
Vacancy savings	-2,067,973	-998,774	-1,060,251	-8,948	0	0.0
<b>Total</b>	<b>\$8,069,068</b>	<b>\$3,585,131</b>	<b>\$4,467,265</b>	<b>\$16,672</b>	<b>\$0</b>	<b>0.0</b>

**Technical adjustments:** The bill includes a net increase of \$3.2 million for various technical adjustments, described in the table below.

### Technical adjustments

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Responsible gaming grant program escalator	\$505,000	\$0	\$505,000	\$0	\$0	0.0
IDS print production	494,400	494,400	\$0	0	0	0.0
Postage	483,442	457,764	25,678	0	0	0.0
License plates	315,446	0	315,446	0	0	0.0
Contract escalator GovOs & Alvara (SUTS)	292,913	292,913	0	0	0	0.0
Occupational licensing and case management	220,269	0	220,269	0	0	0.0
Document management	208,573	211,180	-2,607	0	0	0.0
GenTax contract escalator	200,544	200,544	0	0	0	0.0
DRIVES contract escalator	196,239	0	196,239	0	0	0.0
Driver's license documents	187,226	0	187,226	0	0	0.0
SCAIC contract escalator	33,996	0	33,996	0	0	0.0
Joint audit program fee	15,278	15,278	0	0	0	0.0
<b>Total</b>	<b>\$3,153,326</b>	<b>\$1,672,079</b>	<b>\$1,481,247</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**Taxation services resources:** The bill includes additional resources to assist Colorado taxpayers and promote accurate state level return filing and compliance under the revised federal tax code.

Year 1: \$1.0 million General Fund and 11.5 FTE.

**DMV realignment:** The bill includes a budget-neutral reallocation of \$1.1 million cash funds and 21.0 FTE from the Driver Services Division to the Vehicle Services and Administration Divisions within the DMV.

**OSPB March forecast adjustment:** The bill includes a net General Fund decrease of \$9.7 million based on revenue projections from the Office of State Planning and Budgeting's March forecast. This reduction reflects adjustments to the Cigarette Tax Rebate, Old Age Heat and Fuel and Property Tax Assistance, and retail marijuana sales distributions to local governments.

**Lottery marketing reduction:** The bill includes a decrease of \$5.0 million for Lottery marketing.

**General Fund reductions:** The bill includes a decrease of \$1.3 million General Fund in the Executive Director’s Office and Division of Motor Vehicles as a budget balancing action.

**Operating common policies:** The bill includes a decrease of \$1.4 million General Fund for operating common policies.

**Operating common policies**

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Office of Information Technology services	\$1,036,769	\$408,795	\$627,974	\$0	\$0	0.0
State accounting and payroll system (CORE)	665,135	253,748	411,387	0	0	0.0
Departmental indirect costs	569,753	-948,893	569,753	948,893	0	0.0
IT accessibility	165,887	0	165,887	0	0	0.9
Workers’ compensation	96,411	36,770	59,641	0	0	0.0
Leased space	76,006	76,006	0	0	0	0.0
PERA direct distribution	24,010	-43,334	67,344	0	0	0.0
Indirect costs - hearings	21,093	0	21,093	0	0	0.0
Digital trunked radios	20,804	0	20,804	0	0	0.0
Capitol Complex leased space	15,734	6,580	9,154	0	0	0.0
Administrative law judge services	4,131	0	4,131	0	0	0.0
Office of Information Technology base reduction	-1,000,000	-500,000	-500,000	0	0	0.0
Legal services	-688,559	-363,824	-324,735	0	0	0.0
IT operating offset	-514,276	-143,997	-370,279	0	0	0.0
Risk management & property	-465,302	-176,916	-288,386	0	0	0.0
IT efficiencies	-152,816	-42,788	-110,028	0	0	0.0
Vehicle lease payments	-32,577	-4,399	-28,178	0	0	0.0
Other indirect costs	-21,093	0	-21,093	0	0	0.0
<b>Total</b>	<b>-\$178,890</b>	<b>-\$1,442,252</b>	<b>\$314,469</b>	<b>\$948,893</b>	<b>\$0</b>	<b>0.9</b>

**Prior year actions:** The bill includes adjustments for out-year impacts of prior year legislation and budget actions as outlined in the table below.

**Prior year actions**

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB 26-1168 Department of Revenue supplemental	\$540,967	\$617,295	-\$73,348	-\$2,980	\$0	0.0
FY 25-26 R3 Lottery optimization	182,080	0	182,080	0	0	3.2
SB 25-003 Semiautomatic firearms rapid-fire devices	80,000	80,000	0	0	0	0.0
HB 24-1325 Tax credits quantum industry	78,237	78,237	0	0	0	0.0
HB 24-1360 CO disability opportunity office	77,926	0	77,926	0	0	0.0
SB 25-310 Proposition 130 implementation	75,857	75,857	0	0	0	0.0
HB 24-1250 Driving improvement course	72,419	0	72,419	0	0	0.4
SB 25-319 Mod higher ed expense income tax	70,859	70,859	0	0	0	1.5
HB 25-1296 Tax expenditure adjustment	66,331	66,331	0	0	0	0.0
HB 24-1249 Tax credit agricultural stewardship	53,942	53,942	0	0	0	0.0
HB 24-1295 Creative industry comm revitalization	50,109	50,109	0	0	0	0.0
SB 24-190 Rail & coal transition	48,956	48,956	0	0	0	0.0
HB 24-1365 Opportunity now grants	48,719	48,719	0	0	0	0.0
HB 24-1240 Americorps tax subtraction	40,016	40,016	0	0	0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HB 25B-1004 Sale of tax credits	39,547	39,547	0	0	0	0.0
HB 25-1189 Vehicle registration reform & fees	31,162	0	31,162	0	0	0.0
HB 24-1089 Vehicle electronic notifications	24,912	0	24,912	0	0	2.8
HB 25-1274 Healthy school meals for all	19,684	19,684	0	0	0	0.0
HB 24-11344 Tax expenditures to reduce burden	19,058	19,058	0	0	0	0.0
SB 25-008 Adjust necessary doc program	14,716	0	14,716	0	0	0.0
HB 25B-1002 Corporate income tax foreign	12,815	12,815	0	0	0	0.0
HB 25-1083 Vehicle deployed military families	8,006	0	8,006	0	0	0.0
HB 25-1039 Commercial vehicle muffler	5,414	0	5,414	0	0	0.0
HB 25-1189 Motor vehicle registration reform	2,555	0	2,555	0	0	0.0
SB 25-320 Motor vehicle transportation	108	0	108	0	0	0.0
SB 24-214 Implement state climate goals	-318,088	0	-318,088	0	0	0.0
HB 24-1021 Motor vehicle education standards	-177,675	0	-177,675	0	0	2.1
HB 24-1353 Firearms dealer req and permits	-177,600	-177,600	0	0	0	0.0
HB 24-1340 Incentives post-secondary education	-131,103	-131,103	0	0	0	-1.0
HB 25-1312 Transgender legal protect	-127,775	-153,969	26,194	0	0	-1.7
SB 24-182 Immigration ID document	-126,615	0	-126,615	0	0	0.0
HB 25B-1005 Eliminate sales tax vendor fee	-88,720	-88,720	0	0	0	-0.3
HB 24-1268 Financial assistance low income	-88,278	-88,278	0	0	0	-0.5
HB 24-1312 State income tax credit care worker	-73,925	-73,925	0	0	0	0.0
HB 24-1288 Earned income tax credit data sharing	-70,000	-70,000	0	0	0	0.0
SB 24-230 Oil & gas production fees	-60,963	-60,963	0	0	0	0.0
HB 24-1311 Family affordability tax credit	-47,002	-47,002	0	0	0	0.0
HB 24-1439 Financial incentive internship	-44,289	-44,289	0	0	0	0.0
HB 24-1157 Employee-owned business tax credit	-40,428	-40,428	0	0	0	0.0
SB 24-100 Commercial vehicle safety measures	-32,356	0	-32,356	0	0	0.0
HB 24-1316 Housing tax credit	-23,514	-23,514	0	0	0	0.0
HB 25-1154 Communication services disabilities	-21,467	0	-21,467	0	0	0.0
SB 24-192 Motor vehicle lemon law	-20,025	0	-20,025	0	0	0.0
HB 25-1311 Sports betting deductions	-17,135	0	-17,135	0	0	0.0
HB 24-1369 Agriculture special license plate	-16,111	0	-16,111	0	0	0.0
HB 24-1105 Chicano special license plate	-15,169	0	-15,169	0	0	0.0
SB 25-026 Adjusting tax expenditures	-13,137	-13,137	0	0	0	0.0
SB 24-019 Renumeration exempt placards	-10,843	0	-10,843	0	0	0.0
HB 24-1269 Modification of recording fees	-10,764	0	-10,764	0	0	0.0
SB 24-210 Modifications to election laws	-10,764	0	-10,764	0	0	0.0
HB 24-1142 Reduce income tax ss benefits	-9,901	-9,901	0	0	0	0.0
SB 25-018 Online search of sales & use tax	-9,718	-9,718	0	0	0	0.0
SB 24-065 Electronic devices & driving	-7,040	0	-7,040	0	0	0.0
HB 24-1319 Fire fighters plate expiration	-3,779	0	-3,779	0	0	0.0
HB 25-1299 Animal protection voluntary contribution	-2,904	0	-2,904	0	0	0.0
HB 24-1135 Offenses related to operating vehicle	-1,020	0	-1,020	0	0	0.0
SB 24-016 Tax credit for contributions intermediaries	-561	-561	0	0	0	0.0
HB 24-1135 Offenses related to operating vehicle	-463	0	-463	0	0	0.0
HB 24-1319 Fire fighters plate expiration	-315	0	-315	0	0	0.0
HB 24-1235 Reduce aviation impacts	-64	-64	0	0	0	0.0
<b>Total</b>	<b>-\$135,116</b>	<b>\$288,253</b>	<b>-\$420,389</b>	<b>-\$2,980</b>	<b>\$0</b>	<b>6.5</b>

# State

The Secretary of State is one of five independently-elected constitutional officers and serves as the chief election official for the State of Colorado. The Department of State is broadly responsible for overseeing elections, registering businesses, and publishing information and records for public use.

## Department of State

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation	\$48,966,072	\$4,254	\$48,961,818	\$0	\$0	174.8
<b>Changes from FY 2025-26 Appropriation</b>						
Additional legal resources	\$198,632	\$0	\$198,632	\$0	\$0	1.0
Phone modernization	185,000	0	185,000	0	0	0.0
Informix database migration	100,000	0	100,000	0	0	0.0
Employee compensation common policies	88,793	0	88,793	0	0	0.0
Prior year actions	-1,284,528	0	-1,284,528	0	0	0.7
Technical adjustments	-669,616	0	-669,616	0	0	0.0
Operating common policies	-559,780	0	-559,780	0	0	0.9
Reduce General Fund appropriation	-4,254	-4,254	0	0	0	0.0
<b>Total FY 2026-27 Long Bill Appropriation</b>	<b>\$47,020,319</b>	<b>\$0</b>	<b>\$47,020,319</b>	<b>\$0</b>	<b>\$0</b>	<b>177.4</b>
\$ Change from prior year	-\$1,945,753	-\$4,254	-\$1,941,499	\$0	\$0	2.6
% Change from prior year	-4.0%	-100.0%	-4.0%	n/a	n/a	1.5%

Changes are assumed to be ongoing unless otherwise noted.

## Description of Recommended Changes

**Additional legal resources:** The bill annualizes a supplemental increase for additional legal resources enacted by the General Assembly.

Year 1: An increase of \$198,632 from the Department of State Cash Fund and 1.0 FTE.

**Phone system modernization:** The bill includes funding for the Department to modernize its phone system.

Year 1: An increase of \$185,000 from the Department of State Cash Fund.

Year 2: The ongoing cost is \$116,000 from the Department of State Cash Fund.

**Informix database migration:** The bill includes funding to hire a consultant to plan the migration away from its antiquated database system.

Year 1: A one-time increase of \$100,000 from the Department of State Cash Fund.

**Employee compensation common policies:** The bill includes a net increase of \$88,774 for employee compensation common policies. A common policy refers to general policies applied consistently to all departments.

### Employee compensation common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Health, life, and dental	\$700,993	\$0	\$700,993	\$0	\$0	0.0
Health, life, and dental true-up	192,676	0	192,676	0	0	0.0
Unfunded liability amortization payments	23,009	0	23,009	0	0	0.0
Paid family and medical leave insurance	1,035	0	1,035	0	0	0.0
PERA direct distribution	201	0	201	0	0	0.0
Short-term disability	142	0	142	0	0	0.0
Salary survey	-545,695	0	-545,695	0	0	0.0
Vacancy savings	-261,665	0	-261,665	0	0	0.0
Step plan	-21,922	0	-21,922	0	0	0.0
<b>Total</b>	<b>\$88,774</b>	<b>\$0</b>	<b>\$88,774</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**Prior year actions:** The bill includes a net decrease of \$1.3 million for the impact of prior year budget decisions and legislation.

### Prior year actions

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 25-26 Salary survey	\$545,695	\$0	\$545,695	\$0	\$0	0.0
FY 25-26 Step Plan	73,616	0	73,616	0	0	0.0
SB 25-001 Voting rights act	48,752	0	48,752	0	0	1.0
SB 24-072 Confined eligible electors	25,080	0	25,080	0	0	0.0
FY 25-26 Increase security	6,942	0	6,942	0	0	0.0
SB 23-276 Modify election laws	-1,344,090	0	-1,344,090	0	0	0.0
HB 25-1315 Vacancies in GA	-320,240	0	-320,240	0	0	0.0
HB 25-1319 County vacancies	-314,920	0	-314,920	0	0	0.0
HB 26-1169 Supplemental bill	-3,001	0	-3,001	0	0	-0.4
FY 25-26 Fraudulent filings	-2,362	0	-2,362	0	0	0.1
<b>Total</b>	<b>-\$1,284,528</b>	<b>\$0</b>	<b>-\$1,284,528</b>	<b>\$0</b>	<b>\$0</b>	<b>0.7</b>

**Operating common policies:** The bill includes a net decrease of \$559,780 for operating common policies.

### Operating common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
AI compliance	\$133,760	\$0	\$133,760	\$0	\$0	0.9
Leased space	60,000	0	60,000	0	0	0.0
Office of Information Technology services	30,449	0	30,449	0	0	0.0
Workers' compensation	26,842	0	26,842	0	0	0.0
State accounting system (CORE)	13,170	0	13,170	0	0	0.0
State payroll system (CORE)	3,305	0	3,305	0	0	0.0
Legal services	-720,038	0	-720,038	0	0	0.0
Risk management & property	-95,230	0	-95,230	0	0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Administrative law judge services	-8,291	0	-8,291	0	0	0.0
IT efficiencies	-3,036	0	-3,036	0	0	0.0
Vehicle lease payments	-711	0	-711	0	0	0.0
<b>Total</b>	<b>-\$559,780</b>	<b>\$0</b>	<b>-\$559,780</b>	<b>\$0</b>	<b>\$0</b>	<b>0.9</b>

**Technical adjustments:** The bill includes a net decrease of \$669,616 for technical adjustments.

#### Technical adjustments

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Document solutions common policy	\$201,048	\$0	\$201,048	\$0	\$0	0.0
Electronic Recording Tech Board (info only)	-523,664	0	-523,664	0	0	0.0
FY 23-24 HAVA ES state match	-200,000	0	-200,000	0	0	0.0
IT operating expenses decrease	-147,000	0	-147,000	0	0	0.0
<b>Total</b>	<b>-\$669,616</b>	<b>\$0</b>	<b>-\$669,616</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**Reduce General Fund appropriation:** The bill includes a reduction of the Department’s only General Fund in IT operations.

Year 1: A reduction of \$4,254 General Fund.

# Transportation

The Colorado Department of Transportation (CDOT) is responsible for the construction, maintenance, and operation of the state’s highway system, and manages other forms of transportation, including aviation, rail, and transit. CDOT is overseen by an eleven-member Transportation Commission appointed by the governor.

## Department of Transportation

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation	\$2,273,396,013	0	\$1,449,032,151	\$5,181,756	\$819,182,106	3,328.5
<b>Changes from FY 2025-26 Appropriation</b>						
<b>Revenue forecast adjustments:</b>						
Local Transit and Rail Grant rev. adj.	\$56,184,840	\$0	\$56,184,840	\$0	\$0	0.0
Bridge and Tunnel Ent. rev. adj.	25,639,203	0	25,639,203	0	0	0.0
High Performance Trans. Ent. rev. adj.	15,910,991	0	19,910,991	-4,000,000	0	0.0
Multimodal fund revenue adj.	5,755,167	0	5,755,167	0	0	0.0
Air Pollution Ent. rev. adj.	2,378,150	0	2,378,150	0	0	0.0
Fuels Impact Enterprise rev. adj.	780,000	0	780,000	0	0	0.0
CM&O revenue adj.	-74,692,638	0	-35,700,465	16,742	-39,008,915	0.0
Clean Transit Enterprise rev. adj.	-34,796,917	0	-34,796,917	0	0	0.0
<b>Subtotal: revenue forecast changes</b>	<b>-\$2,841,204</b>	<b>\$0</b>	<b>\$40,150,969</b>	<b>-\$3,983,258</b>	<b>-\$39,008,915</b>	<b>0.0</b>
FY 2026-27 revenue forecast:	\$2,270,554,809	\$0	\$1,489,183,120	\$1,198,498	\$780,173,191	3,329
<b>Offsetting adjustments</b>						
<b>Employee compensation common policies:</b>						
Admin costs	\$747,944	\$0	\$747,944	\$0	\$0	0.0
Offsets in CM&O	-747,944	0	-747,944	0	0	0.0
<b>Operating common policies:</b>						
Admin costs	-6,557,447	0	-6,557,447	0	0	1.2
Offsets in CM&O	6,557,447	0	6,557,447	0	0	0.0
<b>Total offsetting revenue adjustments:</b>						
Admin costs	-\$5,809,503	\$0	-\$5,809,503	\$0	\$0	1.2
Offsets in CM&O	5,809,503	0	5,809,503	0	0	0.0
<b>Net impact of offsetting adjustments</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>1.2</b>
<b>Non-offsetting revenue adjustments:</b>						
Multimodal fund spending authority	\$29,237,737	\$0	\$29,237,737	\$0	\$0	0.0
<b>Subtotal: non-offsetting adjustments</b>	<b>\$29,237,737</b>	<b>\$0</b>	<b>\$29,237,737</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Total FY 2026-27 Long Bill Appropriation</b>	<b>\$2,299,792,546</b>	<b>\$0</b>	<b>\$1,518,420,857</b>	<b>\$1,198,498</b>	<b>\$780,173,191</b>	<b>3,329.7</b>
\$ Change from prior year	\$26,396,533	\$0	\$69,388,706	-\$3,983,258	-\$39,008,915	1.2
% Change from prior year	1.2%	n/a	4.8%	-76.9%	-4.8%	0.0%

Changes are assumed to be ongoing unless otherwise noted.

# Description of Recommended Changes

## Revenue forecast changes

The Department of Transportation Long Bill section forecasts the revenue CDOT expects to receive during FY 2026-27, based on the Final Revenue Allocation Plan approved in March 2025.

**Local Transit and Rail Grant Enterprise revenue adjustment:** CDOT forecasts an increase of \$56.2 million in revenue for cash funds supporting local transit and rail programs (Local Transit Grant Program Cash Fund, Local Transit Operations Cash Fund, and the Rail Funding Program Cash Fund). The anticipated increase is due to increased revenues from oil and gas production fees (S.B. 24-230).

**Bridge and Tunnel Enterprise revenue adjustment:** CDOT forecasts an increase of \$25.6 million in revenue from the Bridge Safety Surcharge, Bridge and Tunnel Impact Fee, Bridge and Tunnel Retail Delivery Fee, and other sources (miscellaneous enterprise revenue, Federal Highway Administration transfer from CDOT). Projected increases are due to an increase in the Bridge and Tunnel Impact Fee from S.B. 25-230 and an inflationary increase to the Bridge and Tunnel Retail Delivery Fee.

**High Performance Transportation Enterprise revenue adjustment:** CDOT forecasts an increase of \$15.9 million in revenue from toll penalty violations, congestion impact fees (from S.B. 24-184), service charges, and managed lane revenue.

**Multimodal Transportation and Mitigation Options Fund revenue adjustment:** CDOT forecasts an increase of \$5.8 million in revenue to the Multimodal Transportation and Mitigation Options Fund. Revenues are from fees created in S.B. 21-260 (Sustainability of the Transportation System). Of the revenue to this fund, 85.0 percent is granted out to local entities and 15.0 percent is retained by the state for Bustang operations.

**Nonattainment Area Air Pollution Mitigation Enterprise revenue adjustment:** CDOT forecasts an increase of \$2.4 million in revenue due to inflationary fee adjustments to the retail delivery fee and rideshare fees, and interest earnings.

**Fuels Impact Enterprise revenue adjustment:** CDOT forecasts an increase of \$780,000 in revenue due to interest earnings. The enterprise is required to adjust the fuels impact reduction fee so that the fund balance does not exceed \$15.0 million, but this limit does not apply to interest earned from the total fund balance.

**Construction, Maintenance, and Operations revenue adjustment:** CDOT forecasts a decrease of \$74.7 million in revenue to CM&O due to S.B. 25-257, which decreased General Fund transfers to the State Highway Fund in FY 2026-27, and S.B. 25-258, which reduced the road safety surcharge from 2025 to 2027.

**Clean Transit Enterprise revenue adjustment:** The balance for the Clean Transit Enterprise Fund is \$34.8 million less than FY 2025-26. This is a base revenue adjustment to align spending authority for the enterprise with its forecasted fund balance for FY 2026-27.

## Offsetting revenue allocation adjustments

The following adjustments move revenue from one division to another without affecting total revenue. Most adjustments are due to common policy changes that alter the amount the Department must spend in the Administration Division, which are offset by the same amount in the Construction, Maintenance, and Operations (CM&O) Division.

**Employee compensation common policies in Administration:** The bill includes a net increase of \$747,944 in cash funds for employee compensation common policies. To pay for the increase, revenue allocated to CM&O is reduced by the same amount.

### Employee compensation common policies (admin costs)

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Salary survey (total compensation)	\$565,270	\$0	\$565,270	\$0	\$0	0.0
Health, Life, Dental true-up	182,674	0	182,674	0	0	0.0
<b>Total</b>	<b>\$747,944</b>	<b>\$0</b>	<b>\$747,944</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**Operating common policies in Administration:** The bill includes a net decrease of \$6.6 million cash funds to Administration. This increases revenue for CM&O by the same amount.

### Operating common policies (admin costs)

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
IT accessibility	\$187,028	\$0	\$187,028	\$0	\$0	1.2
State accounting and payroll system (CORE)	153,513	0	153,513	0	0	0.0
Workers' compensation	62,757	0	62,757	0	0	0.0
Capitol Complex leased space	32,322	0	32,322	0	0	0.0
Risk management & property	-6,443,445	0	-6,443,445	0	0	0.0
Office of Information Technology services	-260,807	0	-260,807	0	0	0.0
IT operating offset	-201,401	0	-201,401	0	0	0.0
IT efficiencies	-84,560	0	-84,560	0	0	0.0
Administrative law judge services	-3,446	0	-3,446	0	0	0.0
Legal services	-2,408	0	-2,408	0	0	0.0
<b>Total</b>	<b>-\$6,557,447</b>	<b>\$0</b>	<b>-\$6,557,447</b>	<b>\$0</b>	<b>\$0</b>	<b>1.2</b>

## Non-offsetting expenditure adjustments

**Spending authority for multimodal transit fund:** The bill includes an increase in \$29.2 million in cash fund spending authority for the Multimodal Transportation and Mitigation Options Fund (MMOF). The fund is subject to annual appropriations, and requested access to its full forecasted fund balance for FY 2026-27. This includes revenues from a retail delivery fee and General Fund transfers from previous legislation.

# Treasury

The State Treasurer, one of Colorado’s independently elected constitutional officers, manages the state’s financial operations through divisions focused on administration, unclaimed property, and special purpose funds. The department oversees cash flow, investments, and debt coordination; returns lost or abandoned assets to rightful owners; and distributes statutory funds to local governments and programs such as transportation and pension obligations. Together, these functions ensure the efficient management, investment, and allocation of state financial resources.

## Department of the Treasury

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation	\$963,566,704	\$468,201,918	\$412,822,088	\$82,542,698	\$0	64.0
<b>Changes from FY 2025-26 Appropriation</b>						
Technical adjustments	\$103,738,725	\$15,679,115	\$89,428,234	-\$1,368,624	\$0	0.0
Operating common policies	793,187	346,710	446,477	0	0	0.0
Employee compensation common policies	324,188	-1,067,592	186,770	1,205,010	0	0.0
UP Division related expenses	306,600	0	306,600	0	0	0.0
Admin staff and software	148,378	0	148,378	0	0	1.0
Prior year actions	-3,348,546	-855,301	-3,280,482	787,237	0	0.0
<b>Total FY 2026-27 Long Bill Appropriation</b>	<b>\$1,065,529,236</b>	<b>\$482,304,850</b>	<b>\$500,058,065</b>	<b>\$83,166,321</b>	<b>\$0</b>	<b>65.0</b>
\$ Change from prior year	\$101,962,532	\$14,102,932	\$87,235,977	\$623,623	\$0	1.0
% Change from prior year	10.6%	3.0%	21.1%	0.8%	n/a	1.6%

Changes are assumed to be ongoing unless otherwise noted.

## Description of Recommended Changes

**Technical adjustments:** The bill includes a net increase of \$103.7 million for technical adjustments primarily related to forecasts for property tax exemptions and the Highway Users Tax Fund. These numbers are included in the Long Bill for informational purposes and are likely to change with future forecasts.

### Technical adjustments

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
OSPB Sept forecast	\$95,296,747	\$0	\$95,296,747	\$0	\$0	0.0
OSPB Mar forecast	14,641,878	14,641,878	\$0	\$0	0	0.0
Improve private health insurances	-3,173,500	0	-3,173,500	0	0	0.0
OSPB Dec forecast	-2,545,013	1,037,237	-2,545,013	-1,037,237	0	0.0
Lease Purchase Payment Adjustment	-331,387	0	0	-331,387	0	0.0
Continuation of benefits fund	-150,000	0	-150,000	0	0	0.0
<b>Total</b>	<b>\$103,738,725</b>	<b>\$15,679,115</b>	<b>\$89,428,234</b>	<b>-\$1,368,624</b>	<b>\$0</b>	<b>0.0</b>

**Operating common policies:** The bill includes a net increase of \$793,187 for operating common policies.

### Operating common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
State accounting system (CORE)	\$592,538	\$266,642	\$325,896	\$0	\$0	0.0
Legal services	145,366	44,775	100,591	0	0	0.0
Office of Information Technology services	53,505	32,588	20,917	0	0	0.0
Workers' compensation	8,596	8,596	0	0	0	0.0
Capitol Complex leased space	8,341	4,973	3,368	0	0	0.0
State payroll system (CORE)	1,135	681	454	0	0	0.0
IT operating offset	-9,814	-5,951	-3,863	0	0	0.0
Risk management & property	-4,229	-4,229	0	0	0	0.0
IT efficiencies	-2,251	-1,365	-886	0	0	0.0
<b>Total</b>	<b>\$793,187</b>	<b>\$346,710</b>	<b>\$446,477</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**Employee compensation common policies:** The bill includes a net decrease of \$2.8 million for employee compensation common policies. A common policy refers to general policies applied consistently to all departments.

### Employee compensation common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Health, life, and dental	\$297,088	\$135,758	\$161,330	\$0	\$0	0.0
Health, life, and dental true-up	74,293	42,739	31,554	0	0	0.0
Unfunded liability amortization payments	37,648	12,889	24,759	0	0	0.0
PERA direct distribution	6,615	2,314	4,301	0	0	0.0
Paid family and medical leave insurance	1,694	580	1,114	0	0	0.0
Short-term disability	259	86	173	0	0	0.0
Statewide PERA Direct Distribution Adjustment	0	-1,205,010	0	1,205,010	0	0.0
Vacancy savings	-88,436	-53,061	-35,375	0	0	0.0
Step plan	-4,973	-3,887	-1,086	0	0	0.0
<b>Total</b>	<b>\$324,188</b>	<b>-\$1,067,592</b>	<b>\$186,770</b>	<b>\$1,205,010</b>	<b>\$0</b>	<b>0.0</b>

**Unclaimed Property (UP) Division related expenses:** The bill includes a cash funds increase for operating expenses in the UP division.

Year 1: An increase of \$306,600 cash funds.

**Admin staff and software:** The bill includes a cash funds increase for one additional FTE, software costs and fund source reallocation.

Year 1: An increase of \$148,378 cash funds.

**Prior year actions:** The bill includes a net decrease of \$3.3 million for the impact of prior year budget decisions and legislation.

**Prior year actions**

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 25-26 Step Plan	\$16,873	\$14,715	\$2,158	\$0	\$0	0.0
SB 18-200 PERA Unfunded Liability	0	-787,237	\$0	787,237	0	0.0
Sale of tax credits	-3,173,500	0	-3,173,500	0	0	0.0
SB 25-261 Deferred ppty tax	-151,830	-151,830	0	0	0	0.0
HB 26-1171 Supplemental Bill	-26,749	69,051	-95,800	0	0	0.0
SB 25-167 Invest state funds	-13,340	0	-13,340	0	0	0.0
<b>Total</b>	<b>-\$3,348,546</b>	<b>-\$855,301</b>	<b>-\$3,280,482</b>	<b>\$787,237</b>	<b>\$0</b>	<b>0.0</b>

# Capital Construction

The Capital Construction section of the Long Bill includes funding appropriated to state departments and higher education institutions for capital construction and controlled maintenance. Capital construction appropriations are primarily supported by General Fund transferred to the Capital Construction Fund (CCF). The Capital Development Committee reviews all capital requests and provides funding recommendations to the Joint Budget Committee.

## Capital Construction

Department	Project	Total Funds	Capital Construction Fund	Cash Funds	Reapprop. Funds	Federal Funds
FY 2025-26 Appropriation		\$324,012,546	\$139,721,972	\$179,646,263	\$0	\$4,644,311
Capital Projects included in FY 2026-27 Long Bill						
Part 1: Controlled Maintenance [1]						
State Agencies	Level 1 Controlled Maintenance, Multiple	\$53,869,006	\$53,385,856	\$0	\$0	\$483,150
Higher Education	Level 1 Controlled Maintenance, Multiple	49,369,621	49,369,621	0	0	0
Subtotal - Controlled Maintenance		\$103,238,627	\$102,755,477	\$0	\$0	\$483,150
Part 2: State Agencies						
Capital Renewal and Recapitalization [2]						
Corrections	Electronic Security System Replacement, State Penitentiary ph 1/2 (CR)	\$748,289	\$748,289	\$0	\$0	\$0
Corrections	Colorado Correctional Industries Small Projects	1,000,000	0	1,000,000	0	0
Higher Ed, History Colorado	Regional Property Preservation Projects	700,000	0	700,000	0	0
Human Services	Campus Utility Infrastructure Upgrade, CMHHIP ph 2/4 (CR)	4,144,206	4,144,206	0	0	0
Human Services	Depreciation Fund for Regional Centers and Group Homes	832,718	0	832,718	0	0
Natural Resources CPW	Infrastructure and Property Maintenance	11,293,800	0	11,293,800	0	0
Transportation	Highway Construction Projects	500,000	500,000	0	0	0
Subtotal - Capital Renewal and Recapitalization		\$19,219,013	\$5,392,495	\$13,826,518	\$0	\$0
Capital Expansion						
Natural Resources CPW	Property Acquisition and Improvements	\$12,100,000	\$0	\$12,100,000	\$0	\$0
Subtotal - Capital Expansion		\$12,100,000	\$0	\$12,100,000	\$0	\$0

Department	Project	Total Funds	Capital Construction Fund	Cash Funds	Reapprop. Funds	Federal Funds
Subtotal - Part 2: State Agencies		\$31,319,013	\$5,392,495	\$25,926,518	\$0	\$0
<b>Part 3: Institutions of Higher Education</b>						
Capital Renewal and Recapitalization						
Higher Education	CSU Clark Building Renovation and Addition ph 4/4	\$25,798,175	\$25,798,175	\$0	\$0	\$0
Subtotal - Capital Renewal and Recapitalization		\$25,798,175	\$25,798,175	\$0	\$0	\$0
Subtotal - Part 3: Institutions of Higher Education		\$25,798,175	\$25,798,175	\$0	\$0	\$0
Total FY 2026-27 Long Bill Appropriation		\$160,355,815	\$133,946,147	\$25,926,518	\$0	\$483,150

[1] Controlled maintenance refers to the repair or replacement of building systems with a total cost of up to \$4.7 million in a single year.

[2] (CR) indicates the project is capital renewal, which refers to a controlled maintenance project or bundled projects with costs exceeding \$4.7 million in a single year.

# Description of Recommended Projects

## Controlled Maintenance

**Controlled Maintenance Level 1<sup>3</sup>:** The bill includes \$103.2 million total funds, including \$102.8 million Capital Construction Fund (CCF), for 54 controlled maintenance projects. This includes 25 projects for state agencies and 29 projects for institutions of higher education.

## State Agencies – Capital Renewal and Recapitalization

**Corrections – Electronic Security System Replacement, Colorado State Penitentiary, phase 1/2 (capital renewal):** The bill includes \$748,289 CCF for the design phase of a capital renewal project to upgrade the electronic security control system and the man-down system at the Colorado State Penitentiary in Cañon City. The construction phase of the project is estimated at \$6.8 million.

**Corrections – Colorado Correctional Industries Small Projects:** The bill includes \$1.0 million from the Colorado Correctional Industries enterprise account related to production facilities that provide employment opportunities to inmates. Projects funded by this increase include tag shop metal blanking line equipment at Colorado Territorial Correctional Facility and toilet paper production equipment and digital web printing at Denver Women’s Correctional Facility.

**Higher Education, History Colorado – Regional Property Preservation Projects:** The bill includes \$700,000 from the State Historical Fund to address a number of historic preservation issues at History Colorado’s regional museums. The project repairs, restores, and upgrades historic sites and museums around Colorado.

**Human Services – Campus Utility Infrastructure, Colorado Mental Health Hospital in Pueblo (CMHHIP) phase 2/4 (capital renewal):** The bill includes \$4.1 million CCF for phase two of a project to complete numerous critical controlled maintenance projects on the CMHHIP campus. This phase installs new water and sewer systems, replaces fire hydrants, and installs new roadways, parking lots, and sidewalks.

**Human Services – Depreciation Fund for Regional Centers and Group Homes:** The bill includes \$832,718 from the Regional Center Depreciation Account to make improvements at three regional centers in Grand Junction, Pueblo, and Wheat Ridge. The homes provide residential care for adults with severe intellectual and developmental disabilities.

**Natural Resources, Colorado Parks and Wildlife (CPW) – Infrastructure and Property Maintenance:** The bill includes \$11.3 million from a combination of the Wildlife Cash Fund and the Highway Users Tax Fund for recapitalization projects at state parks, wildlife areas, fishing units, and administrative areas.

---

<sup>3</sup> Includes Level 1 projects with reference numbers 1 through 52, 54, and 57, as recommended in the State Architect’s annual report [at osa.colorado.gov/state-architect/osa-reports-training/osa-annual-reports](https://osa.colorado.gov/state-architect/osa-reports-training/osa-annual-reports). The scope of project #52 for the Colorado School for the Deaf and the Blind is modified to include \$1.5 million for the purchase of modular classroom trailers.

## State Agencies – Capital Expansion

**Natural Resources, Colorado Parks and Wildlife (CPW) – Property Acquisition and Improvements:** The bill includes \$12.1 million from the Wildlife Cash Fund to acquire interests in real property to protect, preserve, enhance, and manage wildlife and the environment.

## Higher Education – Capital Renewal and Recapitalization

**Colorado State University (CSU) – Clark Building Renovation and Addition, phase 4/4:** The bill includes \$25.8 million CCF for the fourth and final phase of a project to renovate the Clark Building, add square footage to the A and C wings, and demolish the B wing. This project received previous CCF appropriations totaling \$55.8 million, and CSU has put \$55.0 million of institutional funds toward the project.

# Information Technology Capital Projects

The Information Technology Projects (IT Capital) section of the Long Bill includes funding appropriated to state departments and institutions of higher education for information technology capital projects. Information technology project appropriations are primarily supported by General Fund transferred to the Information Technology Capital Account (IT Capital Account) within the Capital Construction Fund. The Joint Technology Committee (JTC) reviews all IT capital funding requests and makes recommendations to the Joint Budget Committee.

## Summary of Information Technology Capital Projects

Department	Item	Total Funds	Capital Const Fund	Cash Funds	Reapprop. Funds	Federal Funds
	FY 2025-26 Appropriation	\$94,088,307	\$41,904,430	\$22,689,666	\$3,634,037	\$25,860,174
	Long Bill Supplemental	-1,470,000	0	-1,470,000	\$0	\$0
	FY 2025-26 Adjusted Appropriation	\$92,618,307	\$41,904,430	\$21,219,666	\$3,634,037	\$25,860,174
<b>Part I</b>	<b>Project</b>					
Corrections	Inspector General Offense Reporting (IGOR) System	\$510,669	\$510,669	\$0	\$0	\$0
Education	School finance modernization	369,279	369,279	0	0	0
Health Care Policy and Financing	Social health info exchange	4,049,989	743,838	0	0	3,306,151
Human Services	Reimagining Benefit Management System	4,823,806	905,237	0	0	3,918,569
Labor and Employment	Workers' Comp Database Replacement	9,964,519	0	9,964,519	0	0
Personnel	Human Resources Information System	955,500	955,500	0	0	0
Personnel	Statewide Procurement System	2,299,500	0	2,299,500	0	0
Public Health and Environment	Stationary sources modernization	1,748,863	1,748,863	0	0	0
Public Health and Environment	Health Facilities and EMS modernization	2,100,000	0	2,100,000	0	0
Public Safety	Records Utilization Upgrade	2,564,100	0	2,564,100	0	0
<b>Part II</b>	<b>Project</b>					
Higher Education	Fort Lewis College Door Access Control Upgrade	\$722,818	\$722,818	\$0	\$0	\$0
Higher Education	Otero College Campus security improvements	234,300	184,300	50,000	0	0
Higher Education	UNC Life Safety Tech. Modernization	1,982,160	1,861,248	120,912	0	0
	<b>Total FY 2026-27 Long Bill Appropriation</b>	<b>\$32,325,503</b>	<b>\$8,001,752</b>	<b>\$17,099,031</b>	<b>\$0</b>	<b>\$7,224,720</b>

Appropriations are granted for three years, unless otherwise noted.

# Description of Recommended Projects

## FY 2025-26

**Long Bill supplemental:** The bill includes the elimination of the Statewide Facility Assessment project, saving \$1.5 million from the Public School Capital Construction Assistance Fund.

## FY 2026-27

**Corrections - Inspector General Offense Reporting (IGOR) System:** The bill includes a project to replace the existing IGOR System. The Department states that the existing system lacks needed functionality for case review and sentencing, and proposes using an OIT-supported “off-the-shelf” software suite to address these gaps. The cost of this project is \$0.5 million from the Capital Construction Fund.

**Education - School finance modernization:** The bill includes the final phase of the school finance modernization project, hiring a project manager for final implementation. The Department is adopting more flexible systems, which will allow them to implement legislative changes to the funding formula and reduce the opportunity for data entry error. The cost of this project is \$0.4 million from the Capital Construction Fund.

**Health Care Policy and Financing - Social Health Information Exchange:** The bill includes a project to improve care coordination between providers and public programs, reducing duplicative assessments for clients. This will be the final phase of the project. The cost of this project is \$0.7 million from the Capital Construction Fund.

**Human Services - Reimagining Colorado’s Benefits Eligibility Systems:** The bill includes a project to implement a new, fully integrated modular benefits management system that will handle eligibility functionality, workflow management, document management, case management, automation, and analytics. The cost of this project is \$0.9 million from the Capital Construction Fund and \$3.9 million federal funds.

**Labor and Employment - Workers' Compensation Database Replacement:** The bill includes the third phase of the Colorado Workers’ Compensation Database replacement, which includes final testing, launching, and troubleshooting. The Department expects this system to improve efficiency by moving away from unsupported third-party software (e.g., Excel) to manage the database. The cost of this project is \$10.0 million cash funds.

**Personnel - Human Resources Information System:** The bill includes the first phase of procurement for a statewide human resources information system. Presently, human resources management is done on an *ad hoc* basis across state agencies, utilizing manual entry and legacy systems. This funding will identify and plan for a statewide human resources system to improve both efficiency and data security. The cost of this project is \$1.0 million from the Capital Construction Fund.

**Personnel - Statewide Procurement System:** The bill includes a project to centralize statewide procurement. The Department suggested that the existing decentralized system leads to inefficiency, duplication, and poor data sharing in procurement, with a centralized system enhancing efficiency. The cost of this project is \$3.0 million from the Capital Construction Fund.

**Public Health and Environment - Stationary source modernization:** The bill includes funding for the final phase in replacing the outdated stationary sources system. The Department expects this will reduce the permitting backlog for entities regulated under the stationary sources program. The cost of this project is \$1.7 million from the Capital Construction Fund.

**Public Health and Environment - Health Facilities and EMS modernization:** The bill includes funding to replace systems used for both state and federally required regulation and licensing of various health care facilities, including hospitals, hospices, and long-term care facilities. The cost of this project is \$2.1 million cash funds.

**Public Safety - Records Utilization Upgrade:** The bill includes funding to transition the Colorado State Patrol from paper-based management of traffic citations to an integrated cloud-based system. The cost of this project is \$2.6 million cash funds.

**Higher Education - Fort Lewis Door Access Control Upgrade:** The bill includes funding for enhancing physical security by replacing mechanical locks with centralized access technology. This would allow the institution to respond more quickly to emergencies on campus. The cost of this project is \$0.7 million from the Capital Construction Fund.

**Higher Education - Otero College campus security improvements:** The bill includes funding for replacement of outdated cameras and communication infrastructure. The Department indicates that the existing security equipment is inadequate for campus security needs. The cost of this project is \$0.2 million from the Capital Construction Fund and \$0.1 million from institutional reserves.

**Higher Education - UNC Life Safety Tech Modernization:** The bill includes funding for the modernization of life safety technology at the University of Northern Colorado. The Department states that existing life safety technology is outdated and unsupported, and further states that communication technology is non-compliant with accessibility regulations. The cost of this project is \$1.9 million from the Capital Construction Fund and \$0.1 million from institutional reserves.

**Section 3**  
**Legislation Included in the**  
**Budget Package**

# Corrections

## H.B. 26-1348: Changes to Broadband Infrastructure Cash Fund

Concerning the use of money from the Broadband Infrastructure Cash Fund.

### Prime Sponsors

Representatives Brown and Taggart; Senators Amabile and Bridges

### Bill Summary

This bill allows the Department of Corrections (DOC) to use the Broadband Infrastructure Cash Fund to install broadband at the Trinidad, Arkansas Valley, and Arrowhead Correctional Facilities.

### Fiscal Impact

The projects at the Trinidad, Arkansas Valley, and Arrowhead facilities are estimated to cost about \$1.3 million. A Long Bill appropriation in the *Broadband Installation* line item includes the required spending authority.

### Background Information

The General Assembly has appropriated about \$5.3 million for broadband projects since 2024, when it created the Broadband Infrastructure Cash Fund. Funding consisted of General Fund transfers to the cash fund. However, the actual cost of those projects was less than expected, making money available for projects at the prisons authorized in this bill. The following table shows previously funded projects.

**Previously funded broadband projects at DOC prisons**

Facility	Completed %	Fund Source	Funded Amount	Actual Cost	Difference
Buena Vista (Level 3)	40.0%	H.B. 24-1386	\$1,042,616	\$977,568	\$65,048
Colorado Territorial (Level 3)	70.0%	S.B. 25-213	842,346	750,847	91,499
Denver Reception & Diagnostic (Level 5)	70.0%	H.B. 24-1386	1,077,931	650,647	427,284
Denver Women's (Level 5)	70.0%	H.B. 24-1386	666,095	437,473	228,622
Fremont (Level 3)	40.0%	H.B. 24-1386	1,222,333	876,607	345,726
San Carlos (Level 5)	70.0%	H.B. 24-1386	473,686	338,428	135,258
Total			\$5,325,007	\$4,031,570	\$1,293,437

# Early Childhood

## H.B. 26-1349: Funding for Prevention Services Programs CDEC

Concerning modifications to prevention services programs with the Department of Early Childhood, and, in connection therewith, making and reducing appropriations.

### Prime Sponsors

Representatives Brown and Sirota; Senators Amabile and Kirkmeyer

### Bill Summary

This bill authorizes a swap of General Fund and cash fund appropriations between the Nurse Home Visitor Program and SafeCare from FY 2026-27 through FY 2029-30. The swap allows the Department of Early Childhood to leverage SafeCare to increase federal fund revenue. SafeCare is the only program eligible to claim reimbursement for more federal funds, as approved by the federal government to pilot. The bill also requires the Department to report to the Joint Budget Committee by November 1, 2029 on the total amount of federal funds gained. Finally, the bill eliminates the sunset of the Colorado Child Abuse Prevention Trust Fund (trust fund), as Nurse Home Visitor Funds will be transferred into the trust fund for SafeCare to access and any additional federal funds would be deposited into the trust fund.

### Fiscal Impact

This bill makes a budget neutral swap of \$5.1 million General Fund for SafeCare with \$5.1 million from the Nurse Home Visitor Program Fund for the Nurse Home Visitor Program. The Department estimates this will bring in \$1.1 million in additional federal funds.

### Background Information

Both the Nurse Home Visitor Program and SafeCare are evidence-based and voluntary home visiting programs. The Nurse Home Visitor Program supports low-income first-time mothers from pregnancy to their child's second birthday. SafeCare supports physical safety in homes, educates parents on child health, and supports the parent-child relationship.

Through a recent agreement with the federal government, the Department can use SafeCare as a match for more federal Title IV-E reimbursements. SafeCare is currently appropriated \$5.1 million General Fund, which is used to meet maintenance of effort (MOE) requirements for federal Maternal, Infant, and Early Childhood Home Visiting funds. The same program cannot be used twice for federal reimbursements. Therefore, this bill swaps

SafeCare's \$5.1 million General Fund with the Nurse Home Visitor Programs' \$5.1 million cash funds to gain additional federal fund reimbursements without risking current MOE requirements.

# Education

## H.B. 26-1350: Appropriations to Legacy School Food Programs

Concerning appropriations related to school food programs, and, in connection therewith, making and reducing an appropriation.

### Prime Sponsors

Representatives Brown and Taggart; Senators Bridges and Amabile

### Bill Summary

This bill modifies various school food programs in the Department of Education that existed prior to the creation and funding of the Healthy School Meals for All Program, which was approved by voters through 2022 Proposition FF and 2025 Propositions LL and MM.

**State Match for Federal School Lunch Act:** Under current law, the General Assembly is required to appropriate from the State Public School Fund an amount to comply with matching requirements under the federal "Richard B. Russell National School Lunch Act." This must be in a separate line item. The bill makes this appropriation optional and allows the amount to be appropriated from the Healthy School Meals for All Program Fund. (The matching funds are to provide administrative support for school food authorities.)

**Summer Electronic Benefits for Children:** Under current law, the Department of Education (department) is a designated partner agency for the Summer Electronic Benefits Transfer for Children Program (Summer EBT Program) The Department of Human Services administers the Summer EBT Program. The bill allows the amount for administration of the Summer EBT Program to be appropriated from the Healthy School Meals for All Program Fund.

**Start Smart Nutrition Program:** Under current law, the General Assembly must appropriate \$700,000 to \$1.5 million from the General Fund to the Start Smart Nutrition Program Cash Fund (cash fund). The bill makes the appropriation optional, repeals the cash fund, transfers the cash fund balance to the General Fund, and allows an appropriation to be made from the Healthy School Meals for All Program Fund. (The program provides a state subsidy so that children who qualify for a reduced-price meal receive a free meal.)

**Child Nutrition School Lunch Protection Program:** Under current law, the General Assembly is required to appropriate money for the Child Nutrition School Lunch Protection Program. The bill makes the appropriation optional and allows an appropriation to be made from the Healthy School Meals for All Program Fund. (The program provides a state subsidy so that children who qualify for a reduced-price meal receive a free meal.)

**Local School Food Purchasing and Technical Assistance Grant Programs:** Under current law that is separate from the Healthy School Meals for All Program statutes, the department administers a local school food purchasing program and a local school food purchasing technical assistance grant program, subject to appropriations. This bill specifies that the General Assembly may appropriate money for these programs when appropriations do not fully fund similar programs created under the Healthy School Meals for All Program statutes.

## Fiscal Impact

The bill makes and reduces appropriations as shown in this table.

### FY 2026-27 Appropriations

Program/Line Item	Reduction	Fund Source	Increase	Fund Source
State Match for School Lunch	-\$2,472,644	State Public School Fund	\$2,472,644	Healthy School Meals for All Program Fund
Child Nutrition School Lunch Protection	-841,460	State Education Fund	235,000	Healthy School Meals for All Program Fund
Smart Start Nutrition Program	-296,484	Smart Start Nutrition Program Fund	65,000	Healthy School Meals for All Program Fund
Summer Electronic Benefits Transfer for Children	-229,097	General Fund	229,097	Healthy School Meals for All Program Fund
<b>Total</b>	<b>-\$3,839,685</b>	<b>Various</b>	<b>\$3,001,741</b>	<b>HSMA Fund</b>

The bill also transfers the balance of money in the Smart Start Nutrition Program Fund to the General Fund. This amount is estimated to be \$480,000 on June 30, 2026. Any residual balance will be transferred on August 31, 2026, before the fund repeals.

## Background Information

A small number of school food authorities continue to use the Child Nutrition School Lunch Protection Program and the Smart Start Nutrition Program. The FY 2026-27 appropriations from the Healthy School Meals for All Program Fund for these two programs is based on FY 2024-25 utilization.

# H.B. 26-1351: Healthy School Meals for All State Education Fund

Concerning the use of State Education Fund money to fund the Healthy School Meals for All Program.

## Prime Sponsors

Representatives Brown and Sirota; Senators Amabile and Bridges

## Bill Summary

This bill provides a transfer from the Healthy School Meals for All (HSMA) Program Fund to the State Education Fund. The amount is based on State Education Fund money that was expended to support the HSMA program in FY 2023-24 and FY 2024-25.

The bill also delays the implementation of annual statutory transfers from the State Education Fund to an account in the HSMA Program Fund. Current law requires that additional State Education Fund revenue that is attributable to Proposition MM (Reduce State Income Tax Deductions and Allocate Revenue to School Meals and SNAP), which was adopted by voters in November 2025, be transferred to this HSMA account beginning July 1, 2026. This bill delays the implementation date until July 1, 2028.

## Fiscal Impact

This bill provides a one-time transfer, on July 1, 2026, of \$31,066,831 from the HSMA Program Fund to the State Education Fund.

The bill also eliminates transfers from the State Education Fund to the HSMA Program Fund account estimated to be \$13.96 million on July 1, 2026 and \$9.97 million on July 1, 2027.

## Background Information

The transfer from HSMA to the State Education Fund is based on \$6,483,450 State Education Fund expenditures for HSMA meals in FY 2023-24 and \$24,583,381 State Education Fund expenditures for HSMA meals in FY 2024-25. Revenue from HSMA was sufficient to fully cover meals in these years, but the State Education Fund was used due to an underestimate of the HSMA revenue and restrictions on spending HSMA revenue until Proposition LL was adopted by voters in November 2025.

The table below summarizes estimated HSMA revenue (Office of State Planning and Budgeting forecast) and expenditures if this bill is adopted. HSMA revenue and expenditures have been difficult to forecast because both are affected by federal law and policy. SNAP and HSMA expenses are expected to increase in future years.

### Healthy School Meals for All Program Fund Projection - OSPB Forecast with this Bill

	FY 25-26	FY 26-27 with this bill	FY 2027-28 Forecast
Start of Year Balance	\$29,083,324	\$100,994,410	\$99,400,952
<b>Revenue</b>			
Prop MM Revenue	\$38,900,000	\$95,000,000	\$95,000,000
Prop FF/LL Revenue	<u>176,030,000</u>	<u>159,660,000</u>	<u>160,700,000</u>
Subtotal w/o State Education Fund (SEF)	\$214,930,000	\$254,660,000	\$255,700,000
Prop MM-Generated SEF	0	0	0
Transfer to SEF from HSMA July 1, 2026	0	-31,066,831	0
<b>Subtotal - revenue</b>	<b>\$214,930,000</b>	<b>\$223,593,169</b>	<b>\$255,700,000</b>
<b>Expense - HSMA only</b>			
School Meals	\$142,500,000	\$148,200,000	\$162,750,000
Admin (inc biennial audit in '27)	518,914	1,290,080	916,782
Grants & stipends	0	32,050,980	33,012,509
<b>Subtotal - HSMA expense</b>	<b>\$143,018,914</b>	<b>\$181,541,060</b>	<b>\$196,679,291</b>
<b>Expense - SNAP/Other</b>			
SNAP administration	\$0	\$38,143,826	\$49,800,000
Community-based Nutrition Education	0	2,500,000	2,500,000
Legacy School Food programs [1]	0	3,001,741	3,001,741
<b>Subtotal - SNAP/Other expense</b>	<b>\$0</b>	<b>\$43,645,567</b>	<b>\$55,301,741</b>
End of Year Balance	\$100,994,410	\$99,400,952	\$103,119,920

[1] Estimated impact of separate Long Bill Package bill.

# H.B. 26-1352: Reducing Frequency of READ Act Independent Evaluations

Concerning reducing the frequency of “Colorado Reading to Ensure Academic Development Act” Independent Evaluations, and, in connection therewith, reducing an appropriation.

## Prime Sponsors

Representatives Brown and Taggart; Senators Bridges and Kirkmeyer

## Bill Summary

Under current law, the Department of Education must contract for an independent evaluation of the Colorado Reading to Ensure Academic Development Act (READ Act) every year. This bill instead requires an independent evaluation biennially. Local Education Providers must continue to annually submit data related to the READ Act, and the Department must post an annual report that summarizes the data and includes any Department input on proposed program change.

## Fiscal Impact

The bill reduces the FY 2026-27 appropriation to the Department of Education by \$750,000 cash funds from the State Education Fund. This eliminates the appropriation for the FY 2026-27 independent evaluation; the evaluation will instead occur in FY 2027-28.

## Background Information

The READ Act includes multiple components to promote early literacy based on the science of reading. Statute requires appropriations of at least \$34.0 million from the State Education Fund for the program, and additional support is provided from the Marijuana Tax Cash Fund.

For FY 2026-27, early literacy appropriations include \$26.3 million for formula distributions to districts, \$8.5 million for competitive grants, \$3.7 million for administration and educator training, and \$0.3 million for a public information campaign. The Long Bill also includes \$0.75 million for the annual external program evaluation that is removed in this bill.

# H.B. 26-1353: Student State Assessment in Social Studies

Concerning state-administered social studies assessments, and, in connection therewith, reducing an appropriation.

## Prime Sponsors

Representatives Brown and Taggart; Senators Amabile and Bridges

## Bill Summary

The bill eliminates the requirement for the Department of Education to administer a state assessment in social studies to elementary school students and specifies that the Department is only required to administer a state assessment in social studies to students enrolled in seventh grade in a public school.

## Fiscal Impact

This bill reduces costs for state assessments on an ongoing basis. It includes an appropriation clause that reduces appropriations to the Department of Education for FY 2026-27 by \$302,835 cash funds from the State Education Fund.

## Background Information

Currently, the state administers an assessment in social studies on a sample basis to students in fourth grade and students in seventh grade, with students in one-third of schools tested on a rotating basis. Under the provisions of this bill, all seventh grade students will be tested each year.

# H.B. 26-1354: Repeal Science Teacher Professional Development Program

Concerning repealing a science teacher professional development program, and, in connection therewith, reducing an appropriation.

## Prime Sponsors

Representatives Sirota and Taggart; Senators Amabile and Bridges

## Bill Summary

During the 2024 legislative session, the General Assembly created the Science Teacher Professional Development Program in the Department of Education. The bill provided an appropriation of \$3.0 million cash funds from the State Education Fund for the program in FY 2024-25, with spending authority through FY 2026-27.

This bill reduces the FY 2024-25 appropriation and repeals the program on July 1, 2027.

## Fiscal Impact

The bill reduces the FY 2024-25 appropriation to the Department of Education by \$1.5 million cash funds from the State Education Fund.

## Background Information

H.B. 24-1446 created the Science Teacher Professional Development Program. The bill required the Colorado Department of Education to contract with a Colorado institution of higher learning to develop and offer a free, optional professional development program to improve science teaching.

Of the \$3.0 million appropriated for the program, \$1.5 million has been spent. The resulting program modules will remain available even if the balance of the appropriation is eliminated.

# H.B. 26-1355: Reduce Appropriation Out-of-School Time Grant Program

Concerning the appropriation for the out-of-school time program grant program, and, in connection therewith, reducing an appropriation.

## Prime Sponsors

Representatives Sirota and Taggart; Senators Bridges and Amabile

## Bill Summary

This bill repeals a requirement for the General Assembly to appropriate \$3.5 million General Fund for the Out-of-School Time Grant Program in FY 2026-27. It instead allows the General Assembly to appropriate money for the program at its discretion and reduces the FY 2026-27 appropriation included in the Long Bill.

## Fiscal Impact

The bill reduces the appropriation to the Department of Education for the Out-of-school Time Grant Program by \$1,750,000 General Fund for FY 2026-27, leaving an appropriation of \$1.75 million General Fund for the grant program's third and final year.

## Background Information

H.B. 24-1331 (Out of School Time Grant Program) created the Out-of-school Time Grant Program to award grants to non-profit organization that provide students enrichment activities outside of school hours. The bill required annual appropriations of \$3.5 million General Fund for three years: FY 2024-25, FY 2025-26, and FY 2026-27.

Colorado's program was launched on May 1, 2025. Grants were awarded to 11 non-profit grantees for the three-year period. Most grantees began implementation in summer of 2025. This program is available for students enrolled in public school from kindergarten through twelfth grade. As of January 1, 2026, 1,887 students across the state have participated in programming funded by this grant.

# H.B. 26-1356: Repeal Local Accountability System

Concerning the repeal of the local accountability system.

## Prime Sponsors

Representatives Brown and Taggart; Senators Amabile and Kirkmeyer

## Bill Summary

This bill repeals the local accountability system, including the Local Accountability Grant Program, on July 1, 2026. The local accountability system supplements the state accountability system.

## Fiscal Impact

This bill has no fiscal impact. Program funding of \$506,690 General Fund and 0.4 FTE is eliminated in the FY 2026-27 Long Bill.

## Background Information

S.B. 19-204 established the Local Accountability Grant Program, which provides funds to local education agencies and groups of agencies to pilot local accountability systems. These systems supplement the state education accountability system. The program enables the State to learn from innovative practices implemented at the local level. The program has provided funding for two cohorts. The second cohort, which includes 8 grantees, began in FY 2024-25 and was expected to continue through FY 2026-27. This bill ends funding for the second cohort one year early.

# H.B. 26-1357: Phase-out of Teacher Recruitment Education Program

Concerning phasing out the Teacher Recruitment Education and Preparation Program.

## Prime Sponsors

Representatives Sirota and Taggart; Senators Amabile and Bridges

## Bill Summary

This bill repeals the Teacher Recruitment Education and Preparation Program (TREP) after FY 2026-27. Because TREP is a two-year program, the bill prohibits the Department of Education from designating any new qualified students for the TREP program beginning in FY 2026-27.

For FY 2026-27, the bill caps the amount that a district receives for a student participating in TREP under the school finance formula at \$7,104.

## Fiscal Impact

The table below shows the impact of the bill by state appropriation line item for FY 2026-27. For technical reasons, the appropriation clause for this bill will be added through an amendment in the House Appropriations Committee.

**TREP Bill FY 2026-27 Appropriations Changes – State Education Fund**

Item	Current Law	TREP Program Fiscal Impact in FY 2026-27 if this bill is enacted	Net Fiscal Impact of Bill
TREP FTE			-112.5
Funding per FTE	\$10,721	\$7,104	-\$3,617
Extended High School line item	\$2,680,250	\$976,800	-\$1,703,450
State Share of Districts' Total Program Funding (hold harmless)			\$80,696
<b>Total impact on State Appropriations – FY 2026-27</b>			<b>-\$1,622,754</b>

Legislative Council Staff estimates that the impact of the bill in FY 2027-28, when the program is fully eliminated, is a reduction of \$2,902,943 cash funds from the State Education Fund. This incorporates the bill’s projected impact on the school finance model, including school finance hold harmless provisions.

## Background Information

TREP was created by S.B. 21-185 (Supporting Educator Workforce in Colorado). Students following an educator career pathway may concurrently enroll in postsecondary courses and earn college credit at no tuition costs to them or their families, for up to two years after their 12th grade year. Under current law, the estimated cost for TREP is \$2,680,250 from the State Education Fund for 250 student FTE.

**Funding Model:** The funding model for the program is similar to the model for the Accelerating Students Through Concurrent Enrollment (ASCENT) program, which was repealed by the General Assembly in S.B. 25-315 (Postsecondary Workforce Readiness) effective FY 2026-27. Students participating in the TREP program remain in high school for a fifth and sixth year, even if they have met their high school’s graduation requirements.

- Their local education provider receives a payment from the State at the extended high school rate. The extended high school rate for FY 2026-27 is \$10,721 per student FTE. There is no local match component to these funds, so the State pays State Education Fund for the total for each student funded.
- School districts are required to pay student postsecondary tuition and *may* pay additional amounts, e.g., for fees and books.
- The number of TREP program participants is capped through a Long Bill footnote. The current cap is 250 FTE.

**State Cost v. District Cost:** A study of the ASCENT program found the state payment for extended high school significantly exceeded the average postsecondary tuition paid by a school district for students enrolled in their fifth year of high school.

- The study found the average postsecondary tuition at the institutions where students enrolled was \$7,104, which was far less than the extended high school rate per pupil FTE, which exceeded \$10,000. On this basis, S.B. 25-315 reduced per pupil FTE payments to school districts for ASCENT to \$7,104 for the program’s final year (FY 2025-26).
- This bill likewise reduces per pupil FTE payments to school districts for the final year of TREP enrollment (FY 2026-27) to \$7,104.

**Growth:** The TREP program has grown significantly since its launch. If the program is not ended, demand for the program is expected to exceed the current cap of 250 student FTE in the near future, and the General Assembly will need to determine if enrollment will be limited, e.g., to “slots” in the districts that initially participated, or if the program will be allowed to grow. The cost of the ASCENT program grew dramatically after enrollment was uncapped. TREP enrollment growth for the last four years is shown below:

- FY 2022-23 (first year of program): 43.0 student FTE in 18 districts
- FY 2023-24: 79 FTE in 25 districts
- FY 2024-25: 99 FTE in 36 districts and 1 CSI school
- FY 2025-26: 193 FTE, in 30 districts

**Outcomes:** Recent data from the Department of Education indicates that only 10 students (4.5 percent) of the 221 in TREP have earned a credential through the TREP program. 129 of them were still enrolled, but it will be many years before the State knows whether any of these students will actually become teachers.

# H.B. 26-1358: Reduce Academic Accelerator Grant Program Appropriation

Concerning reducing an appropriation for the Colorado Academic Accelerator Grant Program.

## Prime Sponsors

Representatives Brown and Taggart; Senators Amabile and Kirkmeyer

## Bill Summary

This bill reduces an FY 2023-24 appropriation for the Colorado Academic Accelerator Grant Program.

## Fiscal Impact

This bill reduces an FY 2023-24 appropriation to the Department of Education for the Colorado Academic Accelerator Grant Program by \$5,200,000 General Fund. The money is available through FY 2026-27.

## Background Information

**Program:** H.B. 23-1231 (Math in Pre-kindergarten Through Twelfth Grade) created the Colorado Academic Accelerator Grant Program in the Department of Education. The grant program supports the development of community learning centers that provide free academic enrichment activities to help students in science, technology, engineering, and math.

The program is similar to federal and other state out-of-school time grant programs, but particularly focuses on math enrichment to be provided by collaborators outside of school hours. This includes before school, after school, summer, and the fifth day in four-day school weeks.

**Funding:** The Department received a one-time FY 2023-24 appropriation of \$24,500,000 General Fund for the program. Statute required the appropriation and specified that the money could be used through FY 2026-27. Of the total, \$16,242,845 was rolled forward into FY 2025-26.

**Implementation:** In FY 2024-25, the department allocated \$7,556,121 to 22 grantees operating 53 community learning centers. For the first year of funding, grantees reported serving 4,660 students. Of these students, 50% were in first through fifth grades and 40% were in sixth through eighth grades, with the remainder in pre-K or high school.

More than one-third of grantees are from the Metro region; the remainder are in other parts of the State, although there are no grantees in the northeast. Grantees are primarily community-based organizations (40%) and school districts (43%), with the remaining grantees being charter schools, consortiums, and higher education institutions.

Estimated original project timeline and spending:

- FY23-24 and FY24-25 grant allocation (15 months total): \$7,556,121
- FY25-26 grant allocation: \$7,433,852
- FY26-27 grant allocation: \$7,433,852

**Estimated FY 2026-27 funding with this bill:** After the reduction in this bill, \$3.2 million General Fund is estimated to be available in FY 2026-27 (the program's final year) from the money originally appropriated in FY 2023-24.

**Program Reports:**

The first year report for the program (December 2024) is located online (click [here](#)).

The second year report was part of the Department's SMART Act report and is also available online (click [here](#)).

# H.B. 26-1359: Credit State Public School Fund from Natural Resources

Concerning crediting to the State Public School Fund money received from the removal of natural resources on public school lands.

## Prime Sponsors

Representatives Sirota and Taggart; Senators Bridges and Kirkmeyer

## Bill Summary

Under current law, approximately half of royalties and other payments for the depletion or extraction of a natural resource on public school lands is credited to the Public School Fund. The Public School Fund is a trust fund for public schools which is also known as the Permanent Fund.

In FY 2025-26 and FY 2026-27, this bill diverts a portion of the money that would otherwise go to the Permanent Fund to the *State* Public School Fund, a different fund which can be used to support school district operations.

## Fiscal Impact

In FY 2025-26, this bill diverts \$25.0 million to the State Public School Fund that would otherwise be deposited in the Permanent Fund; in FY 2026-27 it diverts \$45.0 million to the State Public School Fund that would otherwise be deposited in the Permanent Fund.

## Background Information

The state school lands managed by the Department of Natural Resources were granted by the federal government to the State when it was founded. As outlined in the state Constitution, these lands, and the Permanent Fund that is also created in the Constitution, provide an intergenerational trust for the benefit of public schools.

In recent years, the public school lands have generated over \$200 million per year in revenue, about half of which is deposited to the Permanent Fund, while the other half is deposited to the Public School Capital Construction Assistance Fund and supports the Building Excellent Schools Today (BEST) program.

This bill takes a portion of the money that would otherwise go to the Permanent Fund and deposits it in the State Public School Fund, from which it can be appropriated for school district operations. The Long Bill includes a related adjustment that reduces FY 2026-27 General Fund appropriations by \$70.0 million and increases appropriations from the State Public School Fund by the same amount for the State Share of Districts' Total Program Funding.

The Office of State Planning and Budgeting estimates that total revenue transferred from the State Land Board to the Permanent Fund will be \$113.9 million in FY 2025-26 and \$104.0 million in FY 2026-27 under current law.

Revenue from the State Land Board to the Permanent Fund was \$114.6 million in FY 2024-25. At the end of FY 2024-25, the Permanent Fund balance was \$1.8 billion.

The General Assembly has made this type of one-time adjustment in the past, including in H.B. 20-1418 (Public School Finance) during the COVID-19 pandemic.

# Governor

## H.B. 26-1360: Affordable Housing Financing Fund

Concerning the Affordable Housing Financing Fund.

### Prime Sponsors

Representatives Brown and Taggart; Senators Bridges and Kirkmeyer

### Bill Summary

The bill directs the state treasurer to transfer \$130.0 million from the State Affordable Housing Fund (fund) to the General Fund on June 30, 2026, and makes 3 corresponding adjustments to the Affordable Housing Financing Fund (financing fund).

- First, the bill adjusts the July 1, 2026, transfer from the fund to the financing fund to be reduced by the amount of the June 30, 2026, transfer from the State Affordable Housing Fund.
- Second, for FY 2026-27 only, the bill adjusts the prioritization of programs funded by the financing fund, so that the programs are funded in the following order: The Concessionary Debt Program, the Affordable Housing Equity Program, and the Land Banking Program.
- Third, the bill ensures that this transfer does not reduce the amount that may be spent on administrative expenses for implementing programs funded by the financing fund in FY 2026-27 and pools the costs of administering these programs for fiscal years beginning with FY 2026-27.

The bill clarifies that interest and investment income earned on the financing fund may be expended for projects funded by the fund.

Under current law, if Legislative Council Staff's March economic and revenue forecast projects that state revenue will not exceed the state fiscal year spending limit, the General Assembly reduces the funding allocated to the financing fund. The bill allows for the General Assembly to reduce the funding allocated to the financing fund for FY 2025-26 as a result of revenue forecasts projecting that state revenue will not exceed the state fiscal year spending limit.

### Fiscal Impact

This bill transfers \$130.0 million from the Affordable Housing Financing Fund to the General Fund for FY 2025-26.

# H.B. 26-1361: Pay for Success Program Repeal

Concerning the repeal of the Pay for Success contracts program.

## Prime Sponsors

Representatives Brown and Taggart; Senators Bridges and Kirkmeyer

## Bill Summary

Currently, the Office of Economic Development administers a Pay for Success contracts program by entering into agreements with lead contractors to provide program-eligible interventions.

The Office uses money in the Pay for Success Contracts Fund and the Office of State Planning and Budgeting Youth Pay for Success Initiatives Account in the fund to make payments to a lead contractor to manage the program and pay for program administrative expenses.

This bill requires the state treasurer to transfer all of the money in the fund and the account to the general fund on June 30, 2026, and repeals the program, the fund, and the account on July 1, 2026.

## Fiscal Impact

This bill increases available General Fund in FY 2025-26 by an estimated \$1.6 million.

# House Bill 26-1362: Repeal Decarbonization Tax Credits Administration Fund

Concerning the repeal of the Decarbonization Tax Credits Administration Cash Fund.

## Prime Sponsors

Representatives Sirota and Taggart; Senators Bridges and Kirkmeyer

## Bill Summary

On July 1, 2027, the bill repeals the Decarbonization Tax Credits Administration Cash Fund, which is subject to annual appropriation to the Department of Revenue and the Colorado Energy Office to pay for the direct and indirect costs associated with the implementation and administration of various decarbonization tax credits. The bill also makes conforming amendments.

## Fiscal Impact

This bill carries no fiscal impact.

## Background Information

This law will only take effect if H.B. 26-1405 (Cash Fund Transfers to General Fund) becomes law. If adopted, that bill would transfer the unexpended and unencumbered balance of the Decarbonization Tax Credits Cash Fund to the General Fund at the end of FY 2026-27.

# Health Care Policy and Financing

## H.B. 26-1365: Repeal Medicaid Reimbursement for Equine Therapy

Concerning repealing Medicaid reimbursement for therapy using equine movement, and, in connection therewith, reducing an appropriation.

### Prime Sponsors

Representatives Brown and Sirota; Senators Amabile and Kirkmeyer

### Bill Summary

This bill repeals a provision authorizing Medicaid reimbursement for therapy using equine movement.

### Fiscal Impact

This bill reduces funding for the Department of Health Care Policy and Financing by \$363,028 total funds, including \$181,514 General Fund and \$181,514 matching federal funds.

### Background Information

Prior to H.B. 22-1068 (Medicaid Reimbursement for Therapy Using Equines), the Department had benefits that let people use horses as part of therapy under two home- and community-based services waivers. Only people who qualified for the waivers could access the service. House Bill 22-1068 let any Medicaid member with a medical necessity for therapy use horses as part of therapy through the state plan.

Since H.B. 22-1068 passed, nobody is using the waiver services. Part of the issue is that HCPF had to temporarily suspend and redesign the waiver services, because the same service cannot be available through the state plan and a waiver. There has been zero utilization of the waiver services since the implementation of H.B. 22-1068.

The projected savings are based on the assumption that letting people use horses as part of therapy results in more units of therapy consumed. If a member needs therapy, they get the therapy. If Medicaid covers therapy with a horse, then the Department believes the member uses that therapy, too, in addition to the therapy they would otherwise consume. When a therapist uses a different tool, such as a ball or a dog, the Department does not believe this same add-on effect occurs where the units of service consumed increases.

Studies show the efficacy of both therapies with a horse and without a horse.

# H.B. 26-1366: Denver Health Federal Funds for Physician Services

Concerning enhancing state-directed payments for physician services rendered by medical professionals at Denver Health and Hospital Authority, and, in connection therewith, making an appropriation.

## Prime Sponsors

Representatives Brown and Sirota; Senators Amabile and Kirkmeyer

## Bill Summary

This bill allows the Department of Health Care Policy and Financing to make state-directed payments through the Colorado Healthcare Affordability and Sustainability Enterprise to Denver Health for physician services. This brings more federal funds to Colorado for Denver Health with no increase in General Fund. The source of funds for the state match is an intergovernmental transfer from Denver Health deposited in the Healthcare Affordability and Sustainability Hospital Provider Fee Cash Fund.

## Fiscal Impact

The bill provides \$11.3 million total funds for Denver Health, including \$3.5 million from the Hospital Provider Fee and \$7.8 million from federal funds. The revenue to the Hospital Provider Fee that supports this appropriation is an intergovernmental transfer from Denver Health.

## Background Information

State-directed payments are similar to hospital provider fee supplemental payments, except that they apply to managed care rather than fee-for-service. House Bill 25-1213 authorized state-directed payments to hospitals. This bill authorizes state-directed payments for physician services.

# H.B. 26-1367: COVID Increased Medicaid Match to General Fund

Concerning federal money payable as reimbursement of a public expenditure when the federal money exceeds fifty percent of the expenditure amount.

## Prime Sponsors

Representatives Brown and Taggart; Senators Bridges and Kirkmeyer

## Bill Summary

This bill allows the State to retain federal matching funds in excess of 50 percent for services provided during the COVID-19 pandemic when the federal government provided an enhanced match.

## Fiscal Impact

The bill increases General Fund revenue by \$1.3 million in FY 2025-26 with no increase in the General Fund obligation for a TABOR refund.

## Background Information

The Department can certify public expenditures by local governments that serve Medicaid clients as the state match for federal funds. The reconciliation process often takes several years. Senate Bill 21-213 (Use of Increased Medicaid Match) directed that the COVID enhanced federal match in excess of 50.0 percent be deposited in the General Fund. However, the statute repealed December 31, 2024. The Department is still reconciling payments eligible for the enhanced match.

This bill recreates the statute directing the Department to deposit the federal match in excess of 50.0 percent in the General Fund.

Without this bill, the providers would receive the enhanced match that the federal government intended to help state budgets. They would receive the extra funding only due to administrative timing, because their payment reconciliation took longer than it did for other providers, rather than for a policy reason.

# H.B. 26-1411: Changes to Cover All Coloradans Program

Concerning changes to health insurance benefits for certain low-income individuals who are not eligible for medical assistance due to their immigration status, and, in connection therewith, making and reducing an appropriation.

## Prime Sponsors

Representatives Brown and Taggart; Senators Amabile and Kirkmeyer

## Bill Summary

This bill limits health insurance for children and pregnant people who would qualify for Medicaid or the Children's Basic Health Plan (CHP+) except for their immigration status. The Department calls health insurance for these populations "Cover All Coloradans". For these populations, the bill:

- Eliminates long-term services and supports for people not already using them, effective January 2027
- Allows people already using long-term services and supports to continue using them
- Caps dental services at \$750 annually, effective July 2026
- Limits behavioral health services to those offered on a fee-for-service basis, rather than managed care, effective January 2027
- Removes coordinated care services through the Accountable Care Collaborative, effective January 2027
- Specifies that all services will be offered on a fee-for-service basis to comply with federal policy
- Caps enrollment for the children at 25,000 for FY 2026-27 if one of two conditions are met
  - Enrollment exceeds 25,000
  - Expenditures for a fiscal quarter exceed one quarter of the appropriation, plus five percent to account for cost fluctuations due to seasonality

In addition, the bill eliminates an outreach requirement for the Department of Health Care Policy and Financing.

Finally, the bill simplifies the program for the children by specifying that the eligible children will receive benefits that look like Medicaid, regardless of income, rather than benefits that look like either Medicaid or CHP+ depending on their income.

## Fiscal Impact

The table below summarizes the fiscal impact by year.

### Cover All Coloradans

Item	Total Funds	General Fund	Adult Dental Fund	Federal Funds
<b>FY 2025-26</b>				
Outreach	-\$375,000	-\$131,250	\$0	-\$243,750
<b>FY 2026-27</b>				
Outreach	-\$750,000	-\$262,500	\$0	-\$487,500
Long-term services and supports	-54,602	-54,602	0	0
Dental \$750 annual cap	-7,310,288	-6,178,751	-396,038	-735,499
Behavioral health capitations	-8,451,567	-7,255,685	0	-1,195,882
Behavioral health incentives	-459,705	-393,047	0	-66,658
Accountable Care Collaborative	-2,581,107	-2,076,056	0	-505,051
Systems costs	3,304,249	3,304,249	0	0
<b>Total</b>	<b>-\$16,303,020</b>	<b>-\$12,916,392</b>	<b>-\$396,038</b>	<b>-\$2,990,590</b>
<b>FY 2027-28</b>				
Outreach	-\$750,000	-\$262,500	\$0	-\$487,500
Long-term services and supports	-120,123	-120,123	0	0
Dental \$750 annual cap	-7,974,860	-6,740,456	-432,041	-802,363
Behavioral health capitations	-16,903,134	-14,511,370	0	-2,391,764
Behavioral health incentives	-919,408	-786,093	0	-133,315
Accountable Care Collaborative	-5,162,213	-4,152,110	0	-1,010,103
Systems costs	0	0	0	0
<b>Total</b>	<b>-\$31,829,738</b>	<b>-\$26,572,652</b>	<b>-\$432,041</b>	<b>-\$4,825,045</b>
<b>FY 2028-29</b>				
Outreach	-\$750,000	-\$262,500	\$0	-\$487,500
Long-term services and supports	-120,123	-120,123	0	0
Dental \$750 annual cap	-7,974,860	-6,740,456	-432,041	-802,363
Behavioral health capitations	-16,903,134	-14,511,370	0	-2,391,764
Behavioral health incentives	-919,408	-786,093	0	-133,315
Accountable Care Collaborative	-5,162,213	-4,152,110	0	-1,010,103
Systems costs	0	0	0	0
<b>Total</b>	<b>-\$31,829,738</b>	<b>-\$26,572,652</b>	<b>-\$432,041</b>	<b>-\$4,825,045</b>

## Background Information

Actual expenditures for Cover All Coloradans are trending significantly higher than originally expected. The Department's February forecast suggests FY 2026-27 expenditures will be \$151.4 million General Fund higher than the Fiscal Note estimate for H.B. 22-1289. The tables below compare the Fiscal Note for H.B. 22-1289 to the Department's February forecast.

### Fiscal Note H.B. 22-1289

Item	Enrollment	Total Funds	General Fund	Federal Funds
<b>FY 2024-25</b>				
Pregnant people - Medicaid	2,165	\$13,322,208	\$4,662,773	\$8,659,435
Pregnant people - CHP+	138	1,054,254	368,990	685,264
Children	1,327	2,102,665	2,102,665	\$0
<b>Total</b>	<b>3,630</b>	<b>\$16,479,125</b>	<b>\$7,134,426</b>	<b>\$9,344,699</b>
<b>FY 2025-26</b>				
Pregnant people - Medicaid	2,193	\$27,433,944	\$9,601,881	\$17,832,063
Pregnant people - CHP+	140	2,141,533	749,537	1,391,996
Children	1,344	4,360,863	4,360,863	0
<b>Total</b>	<b>3,677</b>	<b>\$33,936,341</b>	<b>\$14,712,282</b>	<b>\$19,224,059</b>
<b>FY 2026-27</b>				
Pregnant people - Medicaid	2,193	\$27,433,944	\$9,601,881	\$17,832,063
Pregnant people - CHP+	140	2,141,533	749,537	1,391,996
Children	1,344	4,360,863	4,360,863	0
<b>Total</b>	<b>3,677</b>	<b>\$33,936,340</b>	<b>\$14,712,281</b>	<b>\$19,224,059</b>

### February Forecast

Item	Enrollment	Total Funds	General Fund	Federal Funds
<b>FY 2024-25 Actual</b>				
Pregnant people - Medicaid	1,841	\$20,424,318	\$7,148,512	\$13,275,806
Pregnant people - CHP+	244	2,149,721	752,403	1,397,318
Children	6,828	17,780,840	17,780,840	0
<b>Total</b>	<b>8,913</b>	<b>\$40,354,879</b>	<b>\$25,681,755</b>	<b>\$14,673,124</b>
<b>FY 2025-26</b>				
Pregnant people - Medicaid	6,939	\$67,959,940	\$23,785,979	\$44,173,961
Pregnant people - CHP+	389	3,467,130	1,213,496	2,253,634
Children	20,470	79,582,265	79,582,265	0
<b>Total</b>	<b>27,798</b>	<b>\$151,009,335</b>	<b>\$104,581,740</b>	<b>\$46,427,595</b>
<b>FY 2026-27</b>				
Pregnant people - Medicaid	8,411	\$84,345,375	\$29,520,882	\$54,824,493
Pregnant people - CHP+	495	4,693,739	1,642,809	3,050,930
Children	25,000	96,265,223	96,265,223	0
<b>Total</b>	<b>33,906</b>	<b>\$185,304,337</b>	<b>\$127,428,914</b>	<b>\$57,875,423</b>

## Difference

Item	Enrollment	Total Funds	General Fund	Federal Funds
<b>FY 2024-25 Actual</b>				
Pregnant people - Medicaid	-324	\$7,102,110	\$2,485,739	\$4,616,371
Pregnant people - CHP+	106	1,095,467	383,413	712,054
Children	5,501	15,678,175	15,678,175	0
<b>Total</b>	<b>5,283</b>	<b>\$23,875,752</b>	<b>\$18,547,327</b>	<b>\$5,328,425</b>
<b>FY 2025-26</b>				
Pregnant people - Medicaid	4,746	\$40,525,996	\$14,184,098	\$26,341,898
Pregnant people - CHP+	249	1,325,597	463,959	861,638
Children	19,126	75,221,402	75,221,402	0
<b>Total</b>	<b>24,121</b>	<b>\$117,072,995</b>	<b>\$89,869,459</b>	<b>\$27,203,536</b>
<b>FY 2026-27</b>				
Pregnant people - Medicaid	6,218	\$56,911,431	\$19,919,001	\$36,992,430
Pregnant people - CHP+	355	2,552,206	893,272	1,658,934
Children	23,656	91,904,360	91,904,360	0
<b>Total</b>	<b>30,229</b>	<b>\$151,367,997</b>	<b>\$112,716,633</b>	<b>\$38,651,364</b>

# H.B. 26-1412: HCPF Statistical Sampling & Extrapolation

Concerning authorizing the Department of Health Care Policy and Financing to use statistical sampling and extrapolation to recover overpayments to providers for certain Medicaid services, and, in connection therewith, making and reducing an appropriation.

## Prime Sponsors

Representatives Sirota and Taggart; Senators Bridges and Kirkmeyer

## Bill Summary

This bill allows the Department of Health Care Policy and Financing to use statistical sampling and extrapolation to recover payments to providers of pediatric behavioral therapy and non-emergency medical transportation.

The Department must give providers the claims sample, methodology, claim-level findings, and workpapers so that they can fully evaluate and replicate the Department's analysis. The Department may use extrapolation in reviewing claims back to October 1, 2023. If the Department identifies a pattern of overpayment for a provider, it can continue using extrapolation to review claims for that provider back to October 1, 2021.

## Fiscal Impact

This bill increases projected recoveries through FY 2028-29 by \$36.6 million cash funds, including \$13.7 million in FY 2026-27. These recoveries are used to offset General Fund and federal fund expenditures. The total projected General Fund change through FY 2028-29 is -\$18.3 million, including -\$6.9 million in FY 2026-27.

### Extrapolation Recoveries

Item	Total Funds	General Fund	Cash Funds	Federal Funds
FY 2026-27	\$0	-\$6,861,775	\$13,723,550	-\$6,861,775
FY 2027-28	0	-9,149,020	18,298,040	-9,149,020
FY 2028-29	0	-2,287,255	4,574,510	-2,287,255
Total	\$0	-\$18,298,050	\$36,596,100	-\$18,298,050

The Long Bill includes funding for the Department to conduct claim-by-claim reviews of pediatric behavioral therapy payments. Due to the time required for claim-by-claim reviews, the Department can only review a small portion of the total claims. By using statistically significant samples and extrapolation, the Department projects higher recoveries.

Recoveries are exempt from TABOR. The revenues from recoveries get used to offset the need for General Fund and federal funds for Medical Services Premiums so that the total expenditures do not change but the sources of funding change.

# Higher Education

## H.B. 26-1368: Eliminate Limited Gaming Fund Transfer

Concerning eliminating a transfer from the Limited Gaming Fund to the Innovative Higher Education Research Fund.

### Prime Sponsors

Representatives Sirota and Taggart; Senators Amabile and Bridges

### Bill Summary

This bill eliminates the annual \$2.1 million transfer from the Limited Gaming Fund created in Section 44-30-701 (1), C.R.S., for the state share directed to the Innovative Higher Education Research Fund created in Section 23-19.7-104, C.R.S. Pursuant to Section 44-30-701 (2)(b), C.R.S., that amount is transferred to the General Fund.

### Fiscal Impact

This bill reduces the \$2.1 million limited gaming revenue cash funds transfer to the Innovative Higher Education Research Fund and increases by \$2.1 million the limited gaming revenue cash funds transfer to the General Fund.

### Background Information

The Colorado Higher Education Competitive Research Authority (CHECRA) was established in 2008 to provide matching funds for federal research grants. The authority is overseen by a board comprised of the presidents or designees of the research institutions and a Governor appointee. The legislative declaration in Section 23-19.7-101, C.R.S., expresses the General Assembly's intent to "provide a dedicated source of matching moneys that will allow Colorado public universities to compete on equal footing with out-of-state universities when applying for federally sponsored research projects".

The Authority was initially supported by waste tire fees and since 2013 by limited gaming funds. JBC bill, S.B. 13-133 (Distribution of State Share of Ltd Gaming Revenues) provided for a limited gaming funds transfer of \$2.1 million at the end of FY 2012-13 and subsequent years. Due to declines in limited gaming revenues, allocations were suspended in FY 2020-21 and FY 2021-22 and resumed in FY 2022-23. The program continued to spend during FY 2020-21 and FY 2021-22 from its existing reserves on both prior and new commitments. Disbursements for projects are typically spread over two to six years. Since its inception, CHECRA has approved support for just over \$27.0 million in projects, bringing additional funding into the state through grants. In 2014, analysis demonstrated that \$9.0 million of state cost sharing through CHECRA helped draw in over \$45.0 million in research funding to Colorado institutions.

Section 44-30-701 (2), C.R.S., provides direction for the state share of limited gaming revenue and includes distributions of \$15.0 million to the Colorado Travel and Tourism Promotion Fund, \$5.5 million to the Advanced Industries Acceleration Cash Fund, \$2.0 million to the Creative Industries Cash Fund, \$0.5 million to the Colorado Office of Film, Television, and Media Operational Account Cash Fund, and \$2.5 million to the Responsible Gaming Grant Program Cash Fund.

# H.B. 26-1369: Repeal of Contract for Online Platform Use

Concerning the repeal of a requirement to contract for use of an online platform by higher education institutions for public benefits.

## Prime Sponsors

Representatives Brown and Taggart; Senators Amabile and Kirkmeyer

## Bill Summary

This bill repeals Section 23-1-139, C.R.S., that requires the Department of Higher Education to contract for the use of an online platform to assist postsecondary students in accessing public benefits.

## Fiscal Impact

This bill eliminates the need for a \$45,000 General Fund appropriation for this item in FY 2026-27 and ongoing. That reduction is included in the Long Bill.

## Background Information

The Online Platform for Public Benefits for Higher Education Students was created in S.B. 22-182 (Economic Mobility Program). The bill required the Department of Higher Education to contract for and support the use of an online platform by institutions to help students access public benefits. Institutions are required to contribute financially to use the platform.

The Department was provided an annual appropriation of \$45,000 General Fund to obtain and maintain a statewide license from Single Stop, the vendor of the platform. For FY 2022-23 only, the Department was also provided \$126,000 General Fund to help institutions establish their own individual licenses with Single Stop.

# H.B. 26-1370: Limited Gaming Fund Transfers to Other Cash Funds

Concerning the transfer of money from the Limited Gaming Fund to other cash funds.

## Prime Sponsors

Representatives Brown and Sirota; Senators Bridges and Kirkmeyer

## Bill Summary

This bill reduces by \$1.0 million, the required transfer of \$15.0 million from the Limited Gaming Fund to the Colorado Travel and Tourism Promotion Fund at the end of each fiscal year. The bill also requires a transfer of \$1.0 million from the Limited Gaming Fund to the Museum and Preservation Operations Account within the State Historical Fund for History Colorado.

## Fiscal Impact

This bill reduces the \$15.0 million transfer from the Limited Gaming Fund to the Colorado Travel and Tourism Promotion Fund by \$1.0 million and increases the transfer from the Limited Gaming Fund by the same amount for History Colorado.

# H.B. 26-1371: Adding Repeal Dates for Certain Higher Education Programs

Concerning adding repeal dates for certain higher education programs with limited purpose fee-for-service contracts.

## Prime Sponsors

Representatives Brown and Taggart; Senators Amabile and Bridges

## Bill Summary

This bill adds repeal dates of June 30, 2028, for three Department of Higher Education limited purpose fee-for-service contract programs that include:

- The Improve Healthcare Access for Older Coloradans program, added in S.B. 23-031 and codified in Section 23-21-1103, C.R.S.
- The Career, Technical Education, and Apprenticeships alignment project, added in S.B. 24-104 and codified in Section 8-15.7-201, C.R.S.
- The Creation of Career Pathways for Students program, added in H.B. 15-1274 and codified in Section 23-60-109, C.R.S.

## Fiscal Impact

This bill has no fiscal impact for FY 2026-27 or FY 2027-28.

## Background Information

Funding included in the 2026 Long Bill for these programs includes \$974,848 General Fund for the Improve Healthcare Access for Older Coloradans program, \$55,360 General Fund for the Career, Technical Education, and Apprenticeships alignment project, and \$43,480 General Fund for the Career Pathways for Students program.

# H.B. 26-1372 Appropriations to Auraria Higher Education Center

Concerning requirements for spending appropriations for the Auraria Higher Education Center.

## Prime Sponsors

Representatives Brown and Taggart; Senators Amabile and Bridges

## Bill Summary

This bill extends the repeal date by one year to July 1, 2027, of Section 23-70-118, C.R.S., regarding the use of service level agreements between the Auraria Higher Education Center (AHEC) and the institutions served by AHEC.

## Fiscal Impact

This bill has no fiscal impact.

## Background Information

Section 23-70-118, C.R.S., was added in S.B. 25-316 (Auraria Higher Education Center Appropriations), that (1) established the use of service level agreements; (2) required a study to evaluate the statutory design, mission, governance, and operations, management, and financial structures of AHEC; and (3) provided a direct General Fund appropriation for AHEC through balancing offsets from the three institutions served by AHEC, in order to reduce the TABOR impact of the prior reappropriated funds appropriation.

# Human Services

## H.B. 26-1373: Subsidy Limits in Assistance Programs for Children

Concerning reducing monthly subsidy reimbursement percentages for child welfare services provider contracts, and, in connection therewith, reducing an appropriation.

### Prime Sponsors

Representatives Brown and Sirota; Senators Kirkmeyer and Amabile

### Bill Summary

This bill limits eligible benefits for the adoption and relative guardianship assistance programs. The programs provide financial assistance and services to families that meet federal eligibility criteria. Monthly subsidy payments and services are determined by county departments of human services through a standardized assessment. The bill clarifies that case services are not an eligible expenditure for the programs, and limits monthly subsidy payments as follows:

- **Adoption:** No more than 50.0 percent of foster care for youth ages 0-8, 55.0 percent for youth ages 9-13, and 60.0 percent for youth ages 14 and older.
- **Relative guardianship:** No more than 60.0 percent of foster care for youth ages 0-8, 65.0 percent for youth ages 9-13, and 70.0 percent of youth ages 14 and older.

Examples of case services are child care, tutoring, and therapies that are not Medicaid eligible. Removal of case services is driven by budget balancing and a concern that alternative resources are not exhausted before paying for services through the adoption and relative guardianship.

### Fiscal Impact

This bill reduces expenditures for adoption and relative guardianship assistance by an estimated \$3.9 million total funds in FY 2026-27, including \$2.2 million General Fund.

#### FY 2026-27 Fiscal Impact

Item	Total Funds	General Fund	Local Funds	Federal Funds
Limit adoption subsidies	-\$1,614,404	-\$817,857	-\$161,763	-\$634,784
Limit guardianship subsidies	-237,176	-120,153	-23,765	-93,258
Remove case services	-2,094,801	-1,261,740	-221,767	-611,294
<b>Total</b>	<b>-\$3,946,381</b>	<b>-\$2,199,750</b>	<b>-\$407,295</b>	<b>-\$1,339,336</b>

Reductions only apply to new county agreements after July 1, 2026. County agreements are typically for three years. Therefore, the Department anticipates that reductions will begin in FY 2026-27, but the full reduction will not be realized until FY 2028-29. The table below provides the estimated fiscal impact when reductions are fully realized. However, this reduction does not account for rate and caseload changes that may occur in that time.

**FY 2028-29 Estimated Fiscal Impact**

Item	Total Funds	General Fund	Local Funds	Federal Funds
Limit adoption subsidies	-\$4,647,074	-\$2,354,207	-\$465,638	-\$1,827,229
Limit guardianship subsidies	-758,251	-384,130	-75,977	-298,144
Remove case services	-6,347,884	-3,823,455	-672,022	-1,852,407
<b>Total</b>	<b>-\$11,753,209</b>	<b>-\$6,561,792</b>	<b>-\$1,213,637</b>	<b>-\$3,977,780</b>

Actual reductions may vary because the Department is authorized to over-expend the appropriation as necessary to provide benefits to all families who qualify. Projected expenditures for FY 2026-27 are \$96.3 million total funds, including \$49.1 million General Fund. This reflects a General Fund increase of 112.3 percent since FY 2022-23.

# H.B. 26-1374: Kinship Care Funding Provisions

Concerning kinship care funding provisions.

## Prime Sponsors

Representatives Sirota and Taggart; Senators Amabile and Bridges

## Bill Summary

This bill repeals financial assistance payments for non-certified kinship care families. Payments for non-certified kinship care were created by S.B. 24-008 (Kinship Foster Care Homes). Non-certified kinship care describes foster care families that have a family-like relationship to the child who have not completed certification with a county department of human services.

S.B. 24-008 set non-certified kinship care payments at 50.0 percent of rates for certified foster care beginning in FY 2026-27. Payments were supported by the Colorado Works Long-Term (TANF) Reserve for two fiscal years, and were expected to transition to the General Fund beginning in FY 2026-27.

The state is required to reimburse counties 90.0 percent of the cost for certified and non-certified kinship care. The bill clarifies that this provision is subject to available appropriations to align with other state allocations for child welfare.

## Fiscal Impact

Payments for non-certified kinship care are expected to total at least \$9.4 million General Fund in FY 2026-27 assuming no change in caseload from FY 2025-26. However, some families are expected to pursue certification and receive larger payments as a result of the elimination of non-certified payments. Therefore, the Long Bill includes a net reduction of \$5.5 million General Fund to account for the elimination of payments.

# H.B. 26-1375: Repeal County Administration Funding Model

Concerning repealing the county administration of assistance programs funding model, and, in connection therewith, reducing an appropriation.

## Prime Sponsors

Representatives Sirota and Taggart; Senators Amabile and Kirkmeyer

## Bill Summary

The bill repeals the statutorily required county administration of public and medical assistance programs funding model. The Department of Human Services (DHS) and Department of Health Care Policy and Financing (HCPF) are required to contract with a third-party to develop and annually update a funding model for consideration by the Joint Budget Committee. The results of this model inform the annual appropriation for county administration of public and medical assistance programs.

## Fiscal Impact

In total, this bill reduces appropriations in the DHS and HCPF by \$840,000 total funds, including \$252,180 General Fund, in FY 2026-27 and ongoing.

- DHS: -\$600,000 total funds, including -\$180,000 General Fund, -\$240,000 reappropriated funds, and -\$180,000 federal funds; and
- HCPF: -\$240,000 total funds, including -\$72,180 General Fund, -\$47,820 cash funds, and -\$120,000 federal funds.

## Background Information

The county administration of public and medical assistance programs funding model was authorized by S.B. 22-235 (County Administration of Public Assistance Programs), a Joint Budget Committee bill. The first iteration of the funding model was submitted to the Joint Budget Committee on November 1, 2024 in advance of the FY 2025-26 state budget. As a result of funding constraints, the departments and counties agreed to submit the November 2024 model and results for the FY 2026-27 budget cycle. Proposed changes to the statewide structure for county administration of public and medical assistance programs means the funding model is no longer relevant.

# H.B. 26-1376: Federal Adoption Money Cash Fund

Concerning updating permissible uses of money in the Excess Federal Title IV-E Reimbursement Cash Fund.

## Prime Sponsors

Representatives Brown and Sirota; Senators Bridges and Kirkmeyer

## Bill Summary

This bill updates the allowable use of the Excess Title IV-E Reimbursement Cash Fund to align with federal law. Title IV-E of the Social Security Act is the primary source of federal funds for child welfare. The Adoption Assistance Program expands Title IV-E eligibility. The calculated savings from this expansion are deposited into the cash fund. Revenues can only support adoption and other permanency services under federal law. Funds must supplement, not supplant, the Adoption Assistance Program and cannot be used for other Title IV-E eligible services.

Current statute describes requirements that originated from a Title IV-E waiver that is no longer in effect. The cash fund previously received Title IV-E revenues earned by the state that exceeded the amount necessary to fully support program, administrative, and training costs. The cash fund had to be used to support the administration of county human services programs. This is no longer an accurate description of the source of revenue, or the allowable use of revenues under federal law.

## Fiscal Impact

This bill does not have a fiscal impact. The Department of Human Services already utilizes the cash fund in alignment with the updated statutory language included in the bill. The Long Bill includes an appropriation of \$2.9 million from the cash fund for permanency services.

# H.B. 26-1377: Managed Care Entity Payments

Concerning a clarification regarding the treatment of funds that are transferred from the Department of Health Care Policy and Financing through to the Colorado Department of Human Services that pass through a regional accountability entity.

## Prime Sponsors

Representatives Sirota and Taggart; Senators Amabile and Kirkmeyer

## Bill Summary

This bill clarifies that Medicaid payments received by the Department of Human Services (CDHS) from the Department of Health Care Policy and Financing (HCPF) are not included in the calculation of state fiscal year spending when those payments are received through a Regional Accountability Entity (RAE).

HCPF contracts with RAEs, who sub-contract with providers for the delivery of behavioral health services. RAEs make payments to CDHS for patients receiving services at the state hospitals and mental health transitional living homes.

These funds are reflected as reappropriated funds in CDHS because they originate as General Fund and federal funds in HCPF. However, funds were previously accounted for as cash funds because CDHS was receiving funds from a non-state agency. This effectively counted exempt federal funds, and double-counted state revenue against limits for state fiscal year spending.

## Fiscal Impact

This bill reduces the State's TABOR refund obligation by an estimated \$7.1 million General Fund in FY 2026-27.

# H.B. 26-1378: Repeal Behavioral Health Resources

Concerning the repeal of certain behavioral health resources administered by the Behavioral Health Administration, and, in connection therewith, reducing an appropriation.

## Prime Sponsors

Representatives Sirota and Taggart; Senators Bridges and Kirkmeyer

## Bill Summary

This bill repeals the following programs in the Behavioral Health Administration (BHA):

- Building Substance Use Disorder Treatment Capacity Gap Grant Program
- Recovery Support Grant Program
- Safety Net Support Contract
- Behavioral Health Voucher Program
- High Risk Families Cash Fund

## Fiscal Impact

This bill reduces appropriations in the FY 2026-27 Long Bill as provided in the table below.

### Appropriations Reductions

Item	Total Funds	General Fund	Marijuana Tax Cash Fund
Repeal Building Capacity Gap Grant	-\$3,000,000	\$0	-\$3,000,000
Repeal Recovery Support Services Grant	-1,600,805	-1,600,805	0
Repeal Safety Net Provider Contract	-500,000	-500,000	0
Repeal Behavioral Health Voucher Program	-50,000	-50,000	0
<b>Total</b>	<b>-\$5,150,805</b>	<b>-\$2,150,805</b>	<b>-\$3,000,000</b>

Additionally, repeal of the High Risk Families Cash Fund is expected to result in a transfer of \$24,115 to the General Fund in FY 2025-26.

## Background Information

The following sections provide background information on each program.

### Building Substance Use Disorder Treatment Capacity Gap Grant Program

The grant was created by H.B. 19-1287 (Opioid and SUD Treatment) and is currently supported by a \$3.0 million appropriation from the Marijuana Tax Cash Fund. The program was set to repeal in 2024, but was continued on an ongoing basis by S.B. 21-137 (Behavioral Health Recovery Act).

Grants must be used to increase access to a continuum of substance use disorder treatment, including medical or clinical detoxification, residential treatment, recovery support services, and intensive outpatient treatment. Awards are made by a board to local governments, municipalities, counties, schools, law enforcement, primary care, or substance use treatment providers.

Several inefficiencies have been identified for the program, including:

- Board positions are difficult to fill because qualified individuals prefer to serve on similar boards with larger awards.
- Funds are distributed at the time of award rather than through reimbursements, creating risk to the state and difficult accounting.
- Awards are one-time and do not establish ongoing funding for awardees.
- Awardees struggle to spend awards within deadlines due to construction delays and workforce shortages.

## **Recovery Support Grant Program**

The grant was created by S.B. 21-137 (Behavioral Health Recovery Act) and is currently supported by a \$1.6 million General Fund appropriation. The program provides grants to Recovery Community Organizations (RCOs) to provide support for substance use recovery. RCOs are independent, nonprofit organizations. Funding must be used to:

- Offer activities focused on mental or physical wellness or community service.
- Provide guidance on navigating treatment, social service, and recovery support systems.
- Help connect individuals with resources to maintain recovery.
- Establish a social and physical environment supportive of recovery.
- Provide support services to families and caregivers of individuals in recovery.

Funding for recovery support is also available through substance use treatment funding in the BHA, as well as the Department of Health Care Policy and Financing and federal block grants.

## **Safety Net Support Contracts**

H.B. 24-1045 (Substance Use Treatment) required the BHA to contract with an independent third-party to support behavioral health providers seeking safety net designation with the BHA. The BHA contracted with a third-party to provide additional support for withdrawal management providers. The BHA is separately required to provide assistance, and materials produced as a result of the contract are expected to remain available to safety net applicants.

## **Behavioral Health Voucher Program**

The Behavioral Health Voucher Program was created by S.B. 21-137 (Behavioral Health Recovery Act). The program requires the BHA to contract with a non-profit to train providers on cultural competencies for rural communities, and sub-contract with trained providers to provide behavioral health services to farmers, ranchers, farm and ranch workers and their families, and other underserved populations.

Statute only requires 60.0 percent of funding, or \$30,000, to be used for direct services. The program is expected to overlap with other existing resources in the BHA, Colorado State University (CSU), and Department of Agriculture. The Long Bill includes the following funding specific to rural behavioral health services:

- \$6.3 million in the BHA for rural treatment programs for people with co-occurring disorders, including \$0.5 million General Fund and \$5.8 million from the Marijuana Tax Cash Fund (MTCF).
- \$900,000 MTCF to CSU for the AgrAbility Program, also called the Colorado Agricultural Addiction and Mental Health Program (CAAMHP). CAAMHP provides vouchers for rural behavioral health services.
- \$0.7 million General Fund to the BHA and Department of Agriculture for the Agricultural and Rural Community Behavioral Health Program created by S.B. 24-055 (Ag & Rural Behavioral Health).

### **High Risk Families Cash Fund**

Prior to 2020, General Fund appropriations to two line items that remained unspent at the end of the fiscal year were transferred to the High Risk Families Cash Fund rather than reverting to the General Fund. This funding mechanism was repealed by H.B. 20-1388 (Statutory Provisions Divert General Fund). Therefore, the cash fund remains in statute without a revenue source and has been unutilized in recent years.

# Judicial

## H.B. 26-1379: Fix Incorrect Citation Judicial Stabilization Fund

Concerning a correction to a citation for bond forfeiture money deposited in the Judicial Stabilization Cash Fund.

### Prime Sponsors

Representatives Brown and Taggart; Senators Bridges and Kirkmeyer

### Bill Summary

This bill corrects a statutory reference.

### Fiscal Impact

This bill has no fiscal impact.

### Background Information

Senate Bill 25-241 (Deposit Bond Forfeitures in Judicial Fund) was sponsored by the JBC during the 2025 legislative session to provide for the long-term solvency of the Judicial Collection Enhancement Fund. The Act required certain bond forfeiture judgment money be deposited in the Judicial Collection Enhancement Fund instead of the Judicial Stabilization Fund or the General Fund.

The Judicial Department later determined that statute contains an incorrect reference. Section 16-4-111 (7), C.R.S., includes a provision that is supposed to reference bond forfeitures but instead references an unrelated provision. The current bill corrects that reference.

# H.B. 26-1380: Repeal Office of Judicial Discipline Ombudsman

Concerning the repeal of the Office of the Judicial Discipline Ombudsman.

## Prime Sponsors

Representatives Brown and Taggart; Senators Bridges and Kirkmeyer

## Bill Summary

This bill repeals the Office of Judicial Discipline Ombudsman, which failed to start up after initial creation.

## Fiscal Impact

Repealing the Office reduces General Fund by \$328,647 for FY 2026-27 and ongoing. This reduction is included in the Long Bill.

## Background Information

House Bill 23-1205 (Office of Judicial Ombudsman) created a five-person selection board, made up of two Republican lawmakers, two Democrats, and a judge appointed by the Governor to oversee creation of the Judicial Discipline Ombudsman. The board was supposed to begin meeting in January 2024, with a deadline of March 2024 to hire an ombudsman. As of March 2026, no board meetings have been held and the ombudsman position remains unfilled. The General Assembly did not fund the Judicial Discipline Ombudsman in FY 2025-26 and the FY 2026-27 Long Bill does not include funding for the office.

# H.B.26-1381: Eliminate Cash Balance Requirement in Judicial Cash Fund

Concerning eliminating the requirement that the Commission on Judicial Discipline Special Cash Fund begin each state fiscal year with a balance of at least four hundred thousand dollars.

## Prime Sponsors

Representatives Brown and Sirota; Senators Amabile and Bridges

## Bill Summary

This bill eliminates the requirement that the Judicial Discipline Special Cash Fund begin each state fiscal year with a balance of at least four-hundred thousand dollars. It also transfers \$400,000 from the Special Cash Fund to the General Fund on June 30, 2026.

## Fiscal Impact

This bill increases the amount of General Fund at the end of FY 2025-26 by \$400,000.

## Background Information

The Special Cash Fund is continuously appropriated to the Office of Judicial Discipline to be accessed when a disciplinary investigation is underway. After the transfer, the fund retains more than \$62,000, which can be accessed to begin an investigation. If more funding is required, the Office of Judicial Discipline can request funding via an emergency interim supplemental or during the regular supplement budget cycle.

# Labor and Employment

## H.B. 26-1382: Support of Coloradans with Disabilities

Concerning the support of Coloradans with disabilities, and, in connection therewith, creating the Colorado Disability Funding Authority and making and reducing appropriations.

### Prime Sponsors

Representatives Sirota and Brown; Senators Amabile and Bridges

### Bill Summary

This bill creates a new special purpose authority to take over the grant-making functions of the Colorado Disability Funding Committee, and ends that Committee in FY 2027-28. The bill also creates a donation and fee for certain historic license plates. The donations would go to the special purpose authority, and fees would go to the Colorado Disability Opportunity Office in the Department of Labor and Employment.

The bill makes the following changes:

#### In FY 2025-26:

- Transfers \$21.0 million from the Disability Support Fund to the General Fund.
- Transfers the remaining balance of the Disabled Parking Education and Enforcement Cash Fund to the General Fund (estimated at \$20,191).

#### In FY 2026-27:

- Creates the Colorado Disability Fund Authority as a new special purpose authority. The composition of the Authority's board mirrors the current Colorado Disability Funding Committee. The Authority must submit an annual financial and performance report to the Joint Budget Committee starting December 1, 2027. The State Auditor is allowed to audit the Authority, as directed by the General Assembly.
- Creates an annual \$22.50 donation to the Authority and \$2.50 fee to the Colorado Disability Opportunity Office for certain historic license plates, effective October 1, 2026.
- Requires the State Treasurer to issue a warrant of \$523,343 from the Disability Support Fund to the Colorado Disability Fund Authority for its start-up costs.
- Requires the Colorado Disability Funding Committee to end its grant programs by the end of FY 2026-27.
- Repeals the Disabled Parking Education Program and its associated cash fund.
- Expands the authorized uses of the Disability Support Fund to cover costs for the Division of Vocational Rehabilitation, one-time. This allows the Division to increase federal funds revenue by \$3.7 million one-time to address waitlists for vocational rehabilitation services.

**In FY 2027-28:**

- Eliminates the Colorado Disability Funding Committee.
- Moves the Disability Application Assistance Grant, the New and Innovative Grant Program, and the Disabled Parking Education Program to the Colorado Disability Funding Authority.
- Moves the authority to auction certain license plate combinations to the Colorado Disability Opportunity Office, and allows the Office to contract with a public or private entity to administer the auction and be paid for their services. Deposits auction sale revenue into a subaccount of the Disability Support Fund, with annual appropriation authority to the Office and continuous appropriation authority to pay the administering entity.

**Fiscal Impact**

In FY 2025-26, the bill increases General Fund by \$21.0 million.

In FY 2026-27, the bill appropriates a net total of \$927,000 cash funds:

- Appropriates \$1.0 million from the Disability Support Fund to the Division of Vocational Rehabilitation in the Department of Labor and Employment, one-time.
- Appropriates \$27,000 from the Disability Support Fund to the Department of Revenue, one-time.
- Reduces \$100,000 spending authority from the Disabled Parking Education and Enforcement Cash Fund to the Department of Labor and Employment, as the fund will be eliminated.

The bill will also bring in an estimated \$3.7 million in matching federal funds by the Division of Vocational Rehabilitation, one-time in FY 2026-27.

Finally, in FY 2026-27, the bill decreases license plate fee revenue by \$11.6 million, reducing the State's TABOR refund by the same amount. This amount may increase in the outyears, depending on license plate sales.

# H.B. 26-1383: Repeal Employment Support Job Retention Program

Concerning repealing the Employment Support and Job Retention Services Program, and, in connection therewith, reducing an appropriation.

## Prime Sponsors

Representatives Brown and Sirota; Senators Amabile and Bridges

## Bill Summary

This bill repeals the Employment Support and Job Retention Services Program and its supporting cash fund on July 1, 2026. The program would have repealed on September 1, 2029.

The program funds wrap-around employment support services to unemployed or under-employed individuals who cannot access other employment resources. It covers job support and retention expenses such as training, work tools and equipment, emergency transportation, and emergency housing. The General Assembly is statutorily required to annually appropriate \$250,000 General Fund to the Employment Support and Job Retention Services Program Cash Fund for the program. The program was created in H.B. 19-1107 (Employment Support Job Retention Services Program) and extended through H.B. 22-1230 (Employment Support and Job Retention Services).

## Fiscal Impact

This bill decreases FY 2026-27 appropriations to the Department of Labor and Employment by \$500,000 total funds, including \$250,000 General Fund and \$250,000 reappropriated funds.

# H.B. 26-1384: Direct Transfers for CDLE School-to-Work Programs

Concerning the classification of school-to-work alliance program cost payments to the Department of Labor and Employment from the Department of Education.

## Prime Sponsors

Representatives Brown and Taggart; Senators Bridges and Kirkmeyer

## Bill Summary

This bill clarifies that the funding school districts authorize to transfer directly from the Department of Education to the Department of Labor and Employment for the School-to-Work Alliance program (SWAP) does not constitute state fiscal year spending. Some school districts allow the portion of their education funding that pays for SWAP to directly transfer between the Departments, instead of receiving the funding themselves and then paying the Department of Labor and Employment.

Currently, these funds are double-counted as State revenue because the Office of the State Controller considers them as leaving and re-entering the State's accounts. This bill corrects the treatment of those funds.

## Fiscal Impact

This bill reduces General Fund revenue and the State's TABOR refund obligation by an estimated \$7.0 million.

# Local Affairs

## H.B. 26-1385: Public Defender and Prosecutor Behavioral Health Program

Concerning directing one hundred percent of the funding for the Public Defender and Prosecutor Behavioral Health Support Program for the state fiscal year 2026-27 to the Office of the State Public Defender.

### Prime Sponsors

Representatives Brown and Sirota; Senators Amabile and Bridges

### Bill Summary

For FY 2026-27 only, the bill specifies that one hundred percent of the money appropriated for the Public Defender and Prosecutor Behavioral Health Support Program in the Department of Local Affairs is allocated to the Office of the State Public Defender (OSPD), rather than split 50/50 between OSPD and the Colorado District Attorneys' Council (CDAC).

### Fiscal Impact

This bill changes the allocation of funds between OSPD and CDAC for FY 2026-27, directing one hundred percent of appropriations to OSPD.

### Background Information

This program was created by S.B. 22-188 (Behavioral Health Support for Criminal Justice Advocates). The program has received \$500,000 General Fund annually since FY 2022-23. Statute specifies that the funds are split 50/50 between OSPD and CDAC.

OSPD has indicated that it easily expends its entire \$250,000 allocation each year. CDAC indicated that out of \$750,000 awarded over three fiscal years, \$550,000 was spent and \$200,000 remains available for future expenditure. This bill is intended to make CDAC utilize its existing fund balance in FY 2026-27. The FY 2026-27 Long Bill includes \$250,000 General Fund for this program, which will go entirely to OSPD.

# Military and Veterans Affairs

## H.B. 26-1386: CO National Guard Tuition Waiver Funding

Concerning changing the funding mechanism for the Colorado National Guard Tuition Waiver Program.

### Prime Sponsors

Representatives Brown and Taggart; Senators Bridges and Kirkmeyer

### Bill Summary

Under current law, the Department of Military and Veterans' Affairs (DMVA) administers a tuition waiver program for members of the Colorado National Guard to attend Colorado institutions of higher education (IHEs). DMVA pays full tuition for eligible students to IHEs from the Colorado National Guard Tuition Fund until funding is exhausted. This fund receives annual appropriations from the General Assembly. The bill reduces DMVA reimbursement to IHEs from 100 percent of waived tuition to 50 percent. IHEs must waive the remainder of the eligible student's tuition.

### Fiscal Impact

The bill is projected to reduce undergraduate tuition and fee revenue at institutions of higher education by up to \$1.8 million annually, beginning in FY 2026-27. This estimate represents the upper bound of the anticipated revenue impact and assumes full utilization of all funds appropriated to the Department of Military and Veterans Affairs for the tuition waiver program.

Workload within the Department of Military and Veterans Affairs will be adjusted to support rulemaking necessary to administer the program. This workload is expected to be minimal, and no change in appropriations is required.

# Natural Resources

## H.B. 26-1387: Severance Tax Fund Expenditures

Concerning the expenditure of money from the Severance Tax Trust Fund, and, in connection therewith, allowing the State Treasurer to transfer money from the Severance Tax Perpetual Base Fund to the Species Conservation Trust Fund and establishing an annual transfer from the Severance Tax Operational Fund to the General Fund.

### Prime Sponsors

Representatives Brown and Taggart; Senators Bridges and Kirkmeyer

### Bill Summary

The bill allows up to \$3.0 million annually to be transferred from the Severance Tax Perpetual Base Fund to the Species Conservation Trust Fund and up to \$14.2 million to be transferred from the Severance Tax Operational Fund to the General Fund.

### Fiscal Impact

This bill increases General Fund revenue by up to \$14.2 million beginning in FY 2026-27, pending adequate severance tax revenue to support current program appropriations.

This bill also reduces the Severance Tax Operational Fund appropriation to the Species Conservation Trust Fund by \$3.0 million.

### Background Information

This bill is part of a larger severance tax restructure that includes refinancing approximately \$14.2 million from the Severance Tax Operational Fund with various cash funds in the Department of Natural Resources and Department of Agriculture. Most of the refinancing is included in the FY 2026-27 Long Bill:

- For the Energy and Carbon Management Commission (ECMC) – \$5.0 million to the ECMC Cash Fund
- For the Colorado Water Conservation Board (CWCB) – \$1.2 million to the CWCB Construction Fund
- For State Park operations – \$2.4 million to the Parks Cash Fund
- For soil conservation grants in the Department of Agriculture - \$0.4 million to the Agricultural Management Fund
- For Species Conservation Trust Fund (SCTF) – \$2.0 million to the Wildlife Cash Fund

In this bill, the Severance Tax Operational Fund appropriation for SCTF is further reduced by \$3.0 million, and the program is added as an allowable use for the Severance Tax Perpetual Base Fund.

This bill then transfers the refinance “savings” from the Severance Tax Operational Fund to the General Fund. This annual transfer depends on adequate new revenue to fund current program appropriations.

# Personnel

## H.B. 26-1388: Repeal Bond Assistance Program Fund Transfer

Concerning the repeal of the Bond Assistance Program administered by the Department of Personnel, and, in connection therewith, transferring the balance of the Bond Assistance Program Cash Fund to the General Fund.

### Prime Sponsors

Representatives Sirota and Taggart; Senators Amabile and Bridges

### Bill Summary

This bill transfers the full balance of the Bond Assistance Program cash fund to the General Fund on June 30, 2026, and repeals the Bond Assistance Program on December 1, 2027.

### Fiscal Impact

This bill increases available General Fund in FY 2025-26 by an estimated \$1.7 million.

### Background Information

S.B. 22-163 (Establish State Procurement Equity Program) created the Bond Assistance Program Cash Fund and transferred \$2.0 million General Fund to the cash fund. The fund is continuously appropriated to the Department of Personnel for administering the Bond Assistance Program. The program was created to provide technical and financial assistance to help historically underutilized businesses obtain surety bonds and contracts with the State. Since the Bond Assistance Program was created, it has issued one surety bond of \$94,125.

# Public Health and Environment

## H.B. 26-1389: Comprehensive Human Sexuality Education Grant Appropriation

Concerning eliminating the annual appropriation requirement for the Comprehensive Human Sexuality Education Grant Program.

### Prime Sponsors

Representatives Brown and Sirota; Senators Amabile and Kirkmeyer

### Bill Summary

This bill removes the requirement to appropriate \$1.0 million dollars to the Comprehensive Human Sexuality Education Grant Program, and removes the program's associated funding.

### Fiscal Impact

This bill reduces the program's appropriation by \$991,025 General Fund and 1.3 FTE in FY 26-27.

The program currently receives \$1,010,453 General Fund. Due to the pay date shift, in FY 26-27, the program will continue to receive \$19,428 in order to pay current employees through the end of FY 25-26. In FY 27-28, the program will have no appropriation.

### Background Information

The grant program funds schools and school districts to provide research-based education on topics like anatomy, puberty, healthy relationships, consent, and sexually transmitted infections. The program received its current General Fund appropriation through H.B. 19-1032 (Comprehensive Human Sexuality Education). Prior to this, the program existed without explicit funding.

In Colorado, comprehensive sex education is not mandatory. However, if schools provide sex education, then it must be comprehensive.<sup>4</sup> This bill does not change that requirement.

---

<sup>4</sup> Section 22-1-128 (6), C.R.S.

# H.B. 26-1390: Health Disparities and Community Grant Evaluation

Concerning the evaluation agent for the Health Disparities and Community Grant Program.

## Prime Sponsors

Representatives Brown and Sirota; Senators Amabile and Kirkmeyer

## Bill Summary

This bill removes the requirement for a third-party evaluation of the Health Disparities and Community Grant Program. Instead, the bill requires the Department of Public Health and Environment to evaluate the program's effectiveness each grant cycle and post the report publicly.

## Fiscal Impact

This bill has no appropriation change.

The Department estimates that the change will reduce program costs by approximately \$500,000. This is intended to offset some of the \$2.5 million General Fund reduction for the program included in the Long Bill.

## Background Information

The program aims to reduce the risk of disease and health disparities in underrepresented populations. Grantees include local public health departments, non-profits, a food bank, health clinics, and the Ute Mountain Ute Tribe.

In the Long Bill, the program's General Fund is reduced by 53.2 percent, or \$2.5 million. The program also receives tobacco tax revenue.

# H.B. 26-1391: Safe Drinking Water in Child Care Centers and Schools

Concerning clean drinking water in places where children are present, and, in connection therewith, extending the school and child care clean drinking water fund through the 2028-29 state fiscal year, adding high schools to the scope of potential recipients of grants from the school and child care clean drinking water fund, prohibiting the department of public health and environment from issuing a license to a child care center unless the child care center is in compliance with laws concerning the testing of drinking water, and making an appropriation.

## Prime Sponsors

Representatives Brown and Sirota; Senators Amabile and Kirkmeyer

## Bill Summary

In 2022, the general assembly enacted, and the governor subsequently signed into law, H.B. 22-1358, which required child care centers, family child care homes, and each public school that serves any of grades preschool through 8th grade to:

- Test its drinking water sources by having a state-certified laboratory measure the lead content of water drawn from each drinking water source; and
- Satisfy other requirements concerning the provision of safe drinking water.

H.B. 22-1358 also created the School and Child Care Clean Drinking Water Fund (fund) to help schools, child care centers, and family child care homes comply with H.B. 22-1358. H.B. 22-1358 included a repeal date of June 30, 2026, for its provisions.

This bill extends the provisions, with amendments, until June 30, 2029. This bill also adds high schools (i.e., schools that serve grades 9 to 12) to the scope of H.B. 22-1358, which means that high schools may receive grants from the fund and must satisfy certain requirements on or before dates specified in the bill.

The bill prohibits the Department of Public Health and Environment from issuing or renewing a license for a child care center unless the child care center is in compliance with the requirements of H.B. 22-1358 concerning testing for the presence of lead in drinking water. On June 30, 2026, the bill transfers \$5.3 million from the fund to the general fund.

## Fiscal Impact

This bill includes an appropriation of \$8.7 million from the School and Child Care Clean Drinking Water Cash Fund for the Test and Fix Water for Kids program in FY 2026-27. Any unexpended and unencumbered money remaining in the fund at the end of FY 2026-27 is available to the Department through FY 2028-29.

# H.B. 26-1392: Digital Trunked Radio System Support

Concerning the transfer of money from the Public Safety Communications Revolving Fund to the Public Safety Communications Trust Fund to support the Digital Trunked Radio System.

## Prime Sponsors

Representatives Sirota and Taggart; Senators Bridges and Kirkmeyer

## Bill Summary

This bill requires that unexpended and unencumbered money remaining in the Public Safety Communications Revolving Fund at the end of a fiscal year be transferred to the Public Safety Communications Trust Fund. It further clarifies that the Department of Public Safety may use funds in the Public Safety Communications Trust Fund for ongoing maintenance, infrastructure improvements, tower lease costs, and the acquisition and distribution of equipment to use and maintain the state's Digital Trunked Radio System.

## Fiscal Impact

This bill requires a possible transfer between cash funds. Any transfer would be revenue-neutral.

# Public Safety

## H.B. 26-1393: Maximum Reserve Requirement for Certain Cash Funds

Concerning subjecting specified cash funds to a three-year maximum reserve limitation instead of the annual maximum reserve limitation, and, in connection therewith, subjecting the Public School Construction and Inspection Cash Fund and the Health Facility Construction and Inspection Cash Fund to the three-year limitation.

### Prime Sponsors

Representatives Brown and Taggart; Senators Amabile and Kirkmeyer

### Bill Summary

This bill adjusts the Public School Construction and Inspection Cash Fund and the Health Facility Construction and Inspection Cash Fund in the Department of Public Safety. It allows each fund to hold a balance beyond the maximum reserve limitation for three years before decreasing fees.

### Fiscal Impact

This bill has no fiscal impact.

### Background Information

Current law requires cash funds that receive fee revenue to maintain an annual balance below a 16.5 percent annual uncommitted reserve. If the fund exceeds this limit, fees must be reduced in the following fiscal year. H.B. 26-1393 allows two cash funds to exceed this limit for three years before requiring that the Department reduce fees the generate revenue for the funds.

# H.B. 26-1394: Change Motorcycle Operator Fund to Annual Appropriation

Concerning the conversion of the Motorcycle Operator Safety Training Fund to a cash fund subject to annual appropriation by the General Assembly, and, in connection therewith, making an appropriation.

## Prime Sponsors

Representatives Brown and Taggart; Senators Bridges and Kirkmeyer

## Bill Summary

This bill changes the Motorcycle Operator Safety Training Fund to be subject to annual appropriations. In current law, the fund is continuously appropriated to the Colorado State Patrol within the Department of Public Safety.

## Fiscal Impact

This bill has no fiscal impact. The appropriation of \$1.1 million cash funds represents the amount that the Department would have spent from the fund if it remained continuously appropriated.

# H.B. 26-1395: Repeal Wildfire Resilient Homes Grant Program

Concerning the repeal of the Wildfire Resilient Homes Grant Program administered by the Department of Public Safety, and, in connection therewith, transferring the balance of the Wildfire Resilient Homes Grant Program Cash Fund to the General Fund.

## Prime Sponsors

Representatives Sirota and Taggart; Senators Amabile and Bridges

## Bill Summary

This bill repeals the Wildfire Resilient Homes Grant Program within the Department of Public Safety and transfers the remaining balance of the cash fund to the General Fund.

## Fiscal Impact

This bill increases available General Fund by an estimated \$53,790 in FY 2025-26.

## Background Information

The Wildfire Resilient Homes Grant Program was started by H.B. 23-1273 (Creation of Wildfire Resilient Homes Grant Program). The bill included a \$100,000 General Fund appropriation to the Wildfire Resilient Homes Grant Cash Fund. Although the original legislation anticipated receiving federal funding, this funding was never received. The program awarded approximately \$45,000 in grants during FY 2023-24.

# H.B. 26-1396: Disaster Emergency Fund Changes

Concerning Modifications to the Disaster Emergency Fund.

## Prime Sponsors

Representatives Brown and Taggart; Senators Amabile and Kirkmeyer

## Bill Summary

This bill makes the following adjustments to the Disaster Emergency Fund:

- Requires the Office of State Planning and Budgeting (OSPB) to include information about disaster close-out in their quarterly reports regarding the fund;
- Institutes a timeline for closing out a disaster; and
- Limits the annual unencumbered balance of the fund to \$200.0 million and transfers any amount above this limit to the General Fund.

## Fiscal Impact

This bill has no fiscal impact.

# H.B. 26-1397: Multiple Employer Health Trust Funding

Concerning the use of General Fund money to support benefits provided to certain public safety personnel through a multiple employer health trust, and, in connection therewith, reducing an appropriation.

## Prime Sponsors

Representatives Taggart and Sirota; Senators Amabile and Bridges

## Bill Summary

This bill repeals statutorily required appropriations in FY 2026-27 and future years. These appropriations are related to multiple employer health trusts for certain public safety personnel. It affects the Departments of Local Affairs (DOLA) and Public Safety (DPS).

## Fiscal Impact

This bill strikes the statutory requirement to increase appropriations in FY 2026-27 by \$150,000 General Fund in DOLA and \$100,000 General Fund in DPS. It also makes corresponding reductions to appropriations in the FY 2026-27 Long Bill. Appropriations in both Departments are therefore held constant from FY 2025-26 to FY 2026-27. After these changes, FY 2026-27 appropriations to each Department for these purposes are:

- Department of Local Affairs: \$2.7 million total funds, including \$1.4 million General Fund and \$1.3 million reappropriated funds.
- Department of Public safety: \$250,000 General Fund.

The bill eliminates a required transfer of \$2.5 million from the General Fund to the Firefighter Benefits Cash Fund that would have occurred on July 1, 2028.

## Background Information

House Bill 24-1219 (First Responder Employer Health Benefit Trust) included statutory requirements to appropriate specific amounts of General Fund in specific years. These amounts increase over time, as shown in the following table.

**General Fund impact of H.B. 24-1219**

Department	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
Local Affairs	300,000	500,000	650,000	1,000,000	2,500,000
Public Safety	200,000	250,000	350,000	500,000	1,000,000
Total	\$500,000	\$750,000	\$1,000,000	\$1,500,000	\$3,500,000

House Bill 26-1397 repeals the required appropriations in FY 2026-27 and future years. The General Assembly retains the prerogative to adjust funding through the budget process. Employer participation in the programs becomes optional if funding is insufficient to fully cover the costs.

# Transportation

## H.B. 26-1398: Retail Delivery Fee Revenue Allocation

Concerning the allocation of retail delivery fee revenue credited to the Multimodal Transportation and Mitigation Options Fund.

### Prime Sponsors

Representatives Brown and Sirota; Senators Amabile and Kirkmeyer

### Bill Summary

This bill reallocates the revenue the Multimodal Transportation and Mitigation Options Fund (MMOF) receives from the retail delivery fee. Currently, 85.0 percent of revenue in the fund goes to local transportation projects, and 15.0 percent goes to state projects. This bill specifies that 70.0 percent of revenue in the multimodal fund goes to local multimodal transportation projects, and 30.0 percent goes to state multimodal transportation projects.

### Fiscal Impact

The fiscal impact of the bill is budget neutral because overall revenue does not change. If H.B. 26-1399 (Eliminate General Fund Transfer to Multimodal Fund) passes, this bill will increase revenue allocated to state multimodal transit projects by an estimated \$0.8 million in FY 2026-27, and decrease revenue allocated to local multimodal transit projects by an estimated \$11.3 million. The tables below show the fiscal impact in terms of MMOF funding to state and local projects under current law, with the passage of both H.B. 26-1399 and H.B. 26-1398, and with the passage of only H.B. 26-1398.

#### MMOF Revenue and Allocation Under Current Law

Item	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
Retail Delivery fee (estimated)	\$11,577,784	\$12,907,362	\$14,375,574	\$15,996,093	\$17,783,892	\$19,755,364
General Fund transfer (SB 21-160)	10,500,000	10,500,000	10,500,000	10,500,000	10,500,000	10,500,000
Interest earnings (estimated) [1]	4,290,000	4,290,000	4,290,000	\$4,290,000	4,290,000	4,290,000
Total funding	\$26,367,784	\$27,697,362	\$ 29,165,574	\$30,786,093	\$32,573,892	\$34,545,364
Local allocation - 85%	22,412,616	23,542,758	24,790,738	26,168,179	27,687,808	29,363,559
State allocation - 15%	3,955,168	4,154,604	4,374,836	4,617,914	4,886,084	5,181,805

[1] Interest earnings estimated by Department of Transportation.

### MMOF Revenue and Allocation with H.B. 26-1398 and H.B. 26-1399

Item	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
Retail Delivery fee (estimated)	\$11,577,784	\$12,907,362	\$14,375,574	\$15,996,093	\$17,783,892	\$19,755,364
General Fund transfer (SB 21-160)	0	0	0	0	0	0
Interest earnings (estimated) [1]	4,290,000	4,290,000	4,290,000	4,290,000	4,290,000	4,290,000
<b>Total revenue with HB 26-1399</b>	<b>\$15,867,784</b>	<b>\$17,197,362</b>	<b>\$18,665,574</b>	<b>\$20,286,093</b>	<b>\$22,073,892</b>	<b>\$24,045,364</b>
Local allocation (HB 26-1398) - 70%	11,107,449	12,038,153	13,065,902	14,200,265	15,451,724	16,831,755
State allocation (HB 26-1398) - 30%	4,760,335	5,159,209	5,599,672	6,085,828	6,622,168	7,213,609

[1] Interest earnings estimated by Department of Transportation.

### MMOF Revenue and Allocation with only H.B. 26-1398 (Retail Delivery Fee Revenue Allocation)

Item	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32
Retail Delivery fee (estimated)	\$11,577,784	\$12,907,362	\$14,375,574	\$15,996,093	\$17,783,892	\$19,755,364
General Fund transfer (SB 21-160)	10,500,000	10,500,000	10,500,000	10,500,000	10,500,000	10,500,000
Interest earnings (estimated) [1]	4,290,000	4,290,000	4,290,000	4,290,000	\$4,290,000	4,290,000
<b>Total Funding under current law</b>	<b>\$26,367,784</b>	<b>\$27,697,362</b>	<b>\$29,165,574</b>	<b>\$30,786,093</b>	<b>\$32,573,892</b>	<b>\$34,545,364</b>
Local allocation (HB 26-1398) - 70%	18,457,449	19,388,153	20,415,902	21,550,265	22,801,724	24,181,755
State allocation (HB 26-1398) - 30%	7,910,335	8,309,209	8,749,672	9,235,828	9,772,168	10,363,609

[1] Interest earnings estimated by Department of Transportation.

## Background Information

S.B. 21-260 (Sustainability of the Transportation System) created new sources of dedicated funding for the state's transportation system through General Fund transfers, new fees, and the creation and expansion of enterprises. Starting in FY 2022-23, the bill created fees on retail deliveries by motor vehicles that transport tangible personal property subject to the state sales tax. The fees are collected by retailers from consumers, and the fees are adjusted for inflation each year. The Multimodal Transportation and Mitigation Options Fund receives 28.9 percent of the revenue that the state collects from the retail delivery fees.

# H.B. 26-1399: Eliminate General Fund Transfer to Multimodal Transportation Fund

Concerning the elimination of the annual transfer from the General Fund to the Multimodal Transportation and Mitigation Options Fund, and, in connection therewith, reducing an appropriation.

## Prime Sponsors

Representatives Brown and Taggart; Senators Amabile and Kirkmeyer

## Bill Summary

This bill eliminates the annual \$10.5 million transfer from the General Fund to the Multimodal Transportation and Mitigation Options Fund. This transfer was established by S.B. 21-260 (Sustainability of the Transportation System) and scheduled to occur from FY 2024-25 through FY 2031-32.

## Fiscal Impact

This bill provides a total of \$63.0 million General Fund savings from FY 2026-27 to FY 2031-32 (see table below).

**General Fund Savings from H.B. 26-1399 (\$ millions)**

	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	FY 31-32	Total
Current law (S.B. 21-260)	\$10.5	\$10.5	\$10.5	\$10.5	\$10.5	\$10.5	\$10.5	\$10.5	\$84.0
H.B. 26-1399	\$10.5	\$10.5	\$0	\$0	\$0	\$0	\$0	\$0	\$21.0
Total savings									\$63.0

# Treasury

## H.B. 26-1400: Adjust PERA's Allocations to Trust Funds

Concerning adjustments to the Public Employees' Retirement Association's allocation of money to trust funds.

### Prime Sponsors

Representatives Sirota and Taggart; Senators Bridges and Kirkmeyer

### Bill Summary

This bill authorizes the Public Employees' Retirement Association (PERA) to allocate the annual \$225 million direct distribution payment among the Judicial, State, and School Division trust funds on an actuarial basis. Additionally, the bill reduces PERA employer contributions to the Health Care Trust Fund (HCTF) from 1.02 percent to 0.52 percent of member salaries.

This shift is designed to delay or prevent triggering the Automatic Adjustment Provision (AAP), which requires higher employer and employee contributions.

### Fiscal Impact

This bill does not have an immediate fiscal impact.

Under current law, PERA actuaries project the next AAP will occur in 2034, followed by another in 2039. If this bill is enacted, actuaries project the next AAP would be delayed until 2044, resulting in a total projected reduction in employer and employee contributions of approximately \$2.15 billion. This figure is a projection and remains subject to change based on economic and market factors.

### Background Information

Under current law, the state issues a \$225 million warrant to PERA each year on July 1, which PERA must allocate proportionally based on the annual payroll of each division. The objective is to reach full system-wide funding by 2048.

While this bill does not have an immediate fiscal impact, PERA projects that it delays triggering the AAP. If triggered, the AAP would increase costs for the State. The AAP is activated when PERA's blended funded ratio—the aggregate funded status of all divisions weighted by their respective liabilities—falls below 98.0 percent.

A primary concern under the current mechanism is that funding shortfalls in a single large division can increase the risk of a system-wide AAP adjustment, even if other divisions are well funded. Conversely, strong funding

ratios in smaller divisions may not sufficiently offset weaknesses in higher-risk divisions. This legislation addresses this issue by authorizing PERA to allocate those funds based on actual risk.

# H.B. 26-1401: Transfers from Unclaimed Property Trust Fund

Concerning transfers of money from the Unclaimed Property Trust Fund, and, in connection therewith, transferring money from the Unclaimed Property Trust Fund to the Housing Development Grant Fund and the General Fund in state fiscal year 2025-26; and terminating future transfers from the Unclaimed Property Trust Fund to the Housing Development Grant Fund and the Adult Dental Fund.

## Prime Sponsors

Representatives Sirota and Taggart; Senators Bridges and Kirkmeyer

## Bill Summary

This bill transfers \$72.8 million from the Unclaimed Property Trust Fund (UPTF) to the General Fund in FY 2025-26. The bill also reduces the \$30 million transfer to the Housing Development Grant Fund—scheduled to take place in FY 2025-26—to \$2.2 million.

Finally, the bill cancels any future automatic transfers from the UPTF to the Adult Dental Fund and the Housing Development Grant Fund.

## Fiscal Impact

### FY 2025-26

This bill reduces the amount in the UPTF principal balance by \$45 million, thus increasing the unfunded liability of the fund by the same amount. Revenue subject to TABOR will increase by \$45 million. Lastly, the bill increases the General Fund balance by \$72.8 million.

### FY 2026-27

The bill reduces FY 2026-27 expenditures in the Department of Local Affairs' Division of Housing by \$27.8 million due to the reduced transfer to the Housing Development Grant Fund.

The bill repeals the Adult Dental transfer from the UPTF, which automatically occurs each fiscal year in an amount sufficient to pay the cost of the benefit. The adult dental benefit will be funded by the General Fund beginning in FY 2026-27. This is forecasted to cost \$63.5 million in FY 2026-27.

Revenue subject to TABOR will also decrease by the amount of the adult dental benefit starting in FY 2026-27. The General Fund reserve requirement will increase by \$9.5 million under current law, or 15% of the forecasted General Fund appropriation for the adult dental benefit.

# Capital Construction

## H.B. 26-1402: Transfer to Capital Construction Fund

Concerning the transfer of money to the Capital Construction Fund.

### Prime Sponsors

Representatives Sirota and Taggart; Senators Amabile and Bridges

### Bill Summary

The bill makes transfers to the Capital Construction Fund and the Information Technology Capital Account within the Capital Construction Fund (IT Capital Account) to balance those accounts for FY 2026-27 appropriations.

### Fiscal Impact

The bill makes the following transfers on July 1, 2026:

- \$131,514,555 from the General Fund to the Capital Construction Fund for building capital projects;
- \$3,420,943 from the General Fund to the IT Capital Account for information technology capital projects;
- \$500,000 from the General Fund Exempt Account of the General Fund to the Capital Construction Fund for capital construction transportation projects; and
- \$1,748,863 from the Community Impact Cash Fund in the Department of Public Health and Environment to the IT Capital Account for an information technology capital project.

# Information Technology Capital Projects

## H.B. 26-1403: Information Technology Depreciation Lease Payments

Concerning the prevention of the transfer of unexpended information technology annual depreciation-lease equivalent payments to the General Fund.

### Prime Sponsors

Representatives Brown and Sirota; Senators Bridges and Kirkmeyer

### Bill Summary

The bill prohibits the state treasurer from transferring any money that was transferred, credited, or paid into the information technology capital account as an information technology annual depreciation-lease equivalent (ADLE) payment to the general fund.

Current law requires an amount equivalent to the recorded depreciation or amortization of an information technology asset acquired, repaired, improved, replaced, renovated, or constructed with an appropriation from the information technology capital account in the capital construction fund, based on the depreciation period (information technology annual depreciation-lease equivalent payment), to be credited and transferred to the information technology capital account within the capital construction fund. Current law also requires the state treasurer to transfer any unappropriated balances in the information technology capital account or any otherwise unexpended and unencumbered money remaining in the information technology capital account at the end of a fiscal year to the general fund.

### Fiscal Impact

This bill has a net neutral fiscal impact, preventing the reversion from the IT Capital Account to the General Fund of annual depreciation-lease equivalent payments made on completed IT capital projects. Given that the actual ADLE payment amounts in the future will be based on the General Assembly's budgetary decisions, it is not possible to estimate the reversions to the General Fund prevented by this change.

### Background Information

Under S.B. 24-224 (Mitigate Future State Technology Debt), any IT Capital projects initialized from FY 2025-26 and beyond will require annual depreciation-lease equivalent (ADLE) payments to the IT subaccount of the Capital Construction Fund to manage future tech debt. Meanwhile, S.B. 25-262 (Changes to Money in the Capital Construction Fund) transfers unexpended and unencumbered funds from the IT subaccount to the General Fund

at the close of each fiscal year. This bill creates a carve-out for unexpended ADLE payments, preventing them from reverting and making them available for future technology modernization.

# Statewide

## H.B. 26-1363: Temporarily Reduce the General Fund Reserve

Concerning a temporary reduction in the General Fund reserve.

### Prime Sponsors

Representatives Brown and Sirota; Senators Amabile and Bridges

### Bill Summary

This bill reduces the statutory General Fund reserve requirement from 15.0 percent of General Fund appropriations to 13.0 percent for FY 2025-26 and FY 2026-27. The bill specifies that the reserve requirement returns to 15.0 percent for FY 2027-28 and subsequent years.

### Fiscal Impact

This bill reduces the amounts required to be held in reserve for FY 2025-26 and FY 2026-27, increasing the amount of General Fund available for appropriation or transfer. Based on the appropriations assumed in the FY 2026-27 Long Bill Package, the bill is expected to reduce the reserve requirement by:

- \$335.6 million in FY 2025-26; and
- \$340.7 million in FY 2026-27.

Reducing the reserve requirement allows these amounts to be spent or transferred from the General Fund or to be held in the General Fund in excess of the reserve requirement. Refilling the reserve to a 15.0 percent target in FY 2027-28 will require saving approximately \$350.0 million from the FY 2027-28 budget.

# H.B. 26-1364: 2025 Consumer Price Index Calculation

Concerning the calculation of the Consumer Price Index for the 2025 calendar year.

## Prime Sponsors

Representatives Sirota and Taggart; Senators Bridges and Kirkmeyer

## Bill Summary

This bill adjusts the calculation of the Consumer Price Index (CPI) for calendar year 2025 to account for a lack of data in October 2025 as a result of the federal government shutdown. The United States Bureau of Labor Statistics (BLS) publishes a CPI for each month of the year and then calculates the annual CPI as the average of the 12 monthly rates. As a result of the 2025 shutdown, the BLS did not publish a CPI for October 2025, and the BLS calculations only included 11 months of data. Averaging the 11 months of available data gives more weight to the first six months of the calendar year.

The bill adjusts the calculation, for 2025 only, to average two semi-annual BLS determinations for 2025 rather than averaging the monthly rates for the 11 months for which there are data.

## Fiscal Impact

The bill increases the calculated CPI for 2025 by 0.1 percent, from 2.3 percent under the standard BLS calculation to 2.4 percent. Doing so has the following projected impacts:

- Increases growth in the TABOR/Referendum C cap for FY 2026-27 by 0.1 percent, allowing the State to retain and spend an additional \$19.8 million.
- Increases State obligations across a number of programs with inflation requirements impacting appropriations (see Table 1). The expenditure increases may be from the General Fund or from other fund sources, depending on the program.

**Table 1: Projected FY 2026-27 Expenditure Increases for Change in CPI Calculation**

Item	Est. Expenditure Change
Education - State share of total program funding	\$9,057,742
Education - Special education categorical program	346,724
Early Childhood - Universal pre-kindergarten	292,666
Education - Other categorical programs	212,488
<b>Total FY 2026-27 Long Bill Appropriation</b>	<b>\$9,909,620</b>

# H.B. 26-1404: Transfer Tobacco Education Programs Fund to Preschool Programs Fund

Concerning transferring money from the Tobacco Education Programs Fund to the Preschool Programs Cash Fund, and, in connection therewith, making and reducing an appropriation.

## Prime Sponsors

Representatives Sirota and Taggart; Senators Amabile and Bridges

## Bill Summary

This bill transfers \$10.0 million from the Tobacco Education Programs Fund to the Preschool Programs Cash Fund in FY 2026-27. The bill also refinances \$10.0 million General Fund for universal preschool in the Department of Early Childhood with the Preschool Programs Cash Fund.

## Fiscal Impact

This bill reduces General Fund appropriations by \$10.0 million in FY 2026-27, and increases cash funds from the Preschool Programs Cash Fund by \$10.0 million.

## Background Information

The Tobacco Education Programs Fund supports the tobacco education, prevention, and cessation grant program within the Department of Public Health and Environment, and currently receives \$20.0 million from Proposition EE tax revenue annually. The \$10.0 million transfer would come from Proposition EE revenue within the fund.

Beginning July 1, 2027, the program's Proposition EE revenue distribution is scheduled to increase to \$30.0 million.

# H.B. 26-1405: Cash Fund Transfers to General Fund

Concerning transfers of money from certain cash funds to the General Fund.

## Prime Sponsors

Representatives Brown and Sirota; Senators Amabile and Kirkmeyer

## Bill Summary

This bill includes multiple cash fund to General Fund transfers totaling \$100.5 million in FY 2025-26 and \$86.2 million in FY 2026-27.

## Fiscal Impact

This bill increases General Fund revenue by \$100.5 million in FY 2025-26 and \$86.2 million in FY 2026-27.

## Background Information

All transfers are detailed in the table below. Funds that have transfers to the General Fund in both years are marked with an asterisk (\*).

### Transfers to the General Fund

Transfer Date	Fund	Department	FY 25-26	FY 26-27
12-Jun-26	Local Government Backfill Cash Fund	Local Affairs	\$16,747	
28-Jun-26	School and Child Care Drinking Water Fund	Public Health	5,300,000	
30-Jun-26	Local Government Severance Tax Fund*	Local Affairs	19,400,000	
30-Jun-26	OEDIT CLIMBER Fund	Governor	15,000,000	
30-Jun-26	OIT Revolving Fund*	Governor	11,000,000	
30-Jun-26	OIT Technology Risk Prevention and Response	Governor	10,000,000	
30-Jun-26	CollegInvest Master Account	Higher Ed	9,200,000	
30-Jun-26	Severance Tax Operational Fund*	Natural Resources	7,252,996	
30-Jun-26	Supplier Database Cash Fund	Personnel	5,400,000	
30-Jun-26	Community Impact Cash Fund*	Public Health	5,162,373	
30-Jun-26	Mobile Home Park Water Quality Fund	Public Health	3,000,000	
30-Jun-26	Controlled Maintenance Trust Fund (estimate)	Statewide	1,963,692	
30-Jun-26	Scale-up Grant Fund	Labor and Employment	1,057,001	
30-Jun-26	Supplemental State Contribution Fund	Personnel	1,000,000	
30-Jun-26	Identification Unit Cash Fund	Public Safety	1,000,000	
30-Jun-26	Public Safety Indirect Cost Excess Recovery Fund	Public Safety	1,000,000	
30-Jun-26	Unused State-Owned Real Property Fund	Personnel	800,000	
30-Jun-26	Qualified Apprenticeship Intermediary Grant Fund	Labor and Employment	796,959	
30-Jun-26	Records and Reports Fund	Human Services	750,000	
30-Jun-26	Uninsured Employer Fund	Labor and Employment	500,000	
30-Jun-26	Tobacco Settlement Defense Account	Tobacco/Law	250,000	
30-Jun-26	Fixed and Rotary Wing Ambulances Fund	Public Health	215,000	

Transfer Date	Fund	Department	FY 25-26	FY 26-27
30-Jun-26	Workers' Compensation Immediate Payment Fund	Labor and Employment	200,000	
30-Jun-26	Electronic Recording Technology Fund	State	200,000	
1-Jul-26	IIJA Cash Fund	Governor		15,000,000
1-Jul-26	OIT Revolving Fund*	Governor		10,000,000
1-Jul-26	State's Mission for Assistance in Recruiting and Training (SMART) Grant Program	Public Safety		686,890
1-Jul-26	Multidisciplinary Crime Prevention and Crisis Intervention Grant Program	Public Safety		427,113
1-Jul-26	Peace Officers Mental Health Grant Program	Local Affairs		400,000
1-Jul-26	Childcare Facility Grant Program	Local Affairs		117,551
1-Jul-26	Law enforcement workforce recruitment, retention, and tuition grant program	Public Safety		111,191
1-Sep-26	Local Government Severance Tax Fund*	Local Affairs		27,300,000
30-Jun-27	Decarbonization Tax Credit Administration Cash Fund (estimate)	Governor		15,600,000
30-Jun-27	Severance Tax Operational Fund*	Natural Resources		11,150,000
30-Jun-27	Community Impact Cash Fund*	Public Health		5,000,000
June 30, 2027 - June 30, 2033	Mobile Home Park Resident Empowerment Loan and Grant Program Fund (7 years)	Local Affairs		400,000
<b>Total</b>			<b>\$100,464,768</b>	<b>\$86,192,745</b>

# H.B. 26-1406: Repeal Capital Construction Funding Requirements

Concerning the repeal of certain provisions regarding the funding of capital construction, and, in connection therewith, reducing an appropriation.

## Prime Sponsors

Representatives Sirota and Taggart; Senators Amabile and Kirkmeyer

## Bill Summary

This bill repeals requirements related to annual depreciation-lease equivalent (ADLE) payments that are appropriated in the Long Bill and set aside for capital construction projects. The bill also repeals a mechanism that diverts ADLE payments into the Capitol Complex Renovation Fund through FY 2029-30 for certain building projects in the Capitol Complex. Lastly, the bill repeals the Capitol Complex Master Plan Implementation Fund and a related mechanism that allows for an annual transfer of \$2.5 million from the General Fund to that fund.

## Fiscal Impact

This bill includes an appropriations clause that reduces ADLE payments in the Long Bill by \$26.0 million total funds, including \$25.3 million General Fund, across several departments. The bill will generate similar savings in future years from the statutory repeal of ADLE payments. The bill also makes a one-time transfer of \$15.3 million from the Capitol Complex Renovation Fund to the General Fund on June 30, 2026 and cancels potential annual transfers of \$2.5 million from the General Fund to the Capitol Complex Master Plan Implementation Fund.

# H.B. 26-1407: State Money Used to Refinance American Rescue Plan Money

Concerning state money that was used to refinance money received from the federal Coronavirus State Fiscal Recovery Fund, and, in connection therewith, transferring unspent state money to the General Fund and extending certain deadlines for the use of state money.

## Prime Sponsors

Representatives Brown and Taggart; Senators Amabile and Kirkmeyer

## Bill Summary

The bill transfers a total of \$35.7 million to the General Fund on June 30, 2026 from five total funds including four funds that were created to hold Coronavirus State Fiscal Recovery Fund money from the American Rescue Plan Act (ARPA funds) and the State Highway Fund, where some ARPA funds were expended instead of General Fund. The transfers are shown in the Fiscal Impact table below.

## Fiscal Impact

### Refinanced ARPA Fund Transfers to General Fund – June 30, 2026

Transfer From	Amount
Behavioral and Mental Health Cash Fund	\$1,005,850
Discretionary Account of the ARPA Refinance State Money Cash Fund	27,905,384
Economic Recovery and Relief Cash Fund	1,974,702
Revenue Loss Restoration Cash Fund	4,085,246
State Highway Fund	750,190
<b>TOTAL</b>	<b>\$35,721,373</b>

The bill also:

- Reduces appropriations to the Department of Early Childhood by a total of \$1.6 million from the Economic Recovery and Relief Cash Fund for four programs created in S.B. 22-213 (Child Care Support Programs).
- Reduces appropriations to the Department of Health Care Policy and Financing by \$800,000 from the Behavioral and Mental Health Cash Fund for the universal contract for behavioral health services program created in H.B. 22-1302 (Health-care Practice Transformation).
- Extends the deadline from December 31, 2026, to June 30, 2027, for the Department of Human Services to spend money appropriated in 2022 from the Behavioral and Mental Health Cash fund for capital construction related to a youth neuro-psych facility at the Colorado Mental Health Institute at Fort Logan.

## Background Information

**ARPA Swap History:** In 2021, Colorado received \$3.8 billion in federal Coronavirus State Fiscal Recovery Funds from the American Rescue Plan Act (ARPA funds) that were subject to appropriation by the General Assembly. The General Assembly allocated most of these funds during the 2021, 2022 and 2023 legislative sessions in more than 75 bills in six major categories. In addition, \$370.0 million was allocated for flexible use by the Governor.

During the 2024 legislative session, Colorado adopted measures to spend the federal funds as quickly as possible. Specifically, \$1.6 billion that was at risk of not being expended by federal deadlines was “swapped” for General Fund at the end of FY 2023-24 and beginning of FY 2024-25 through House Bill 24-1466 (Refinance Federal Coronavirus Recovery Funds). Under the provisions of this bill, federal ARPA funds that were previously allocated to specific programs were used to refinance FY 2023-24 and FY 2024-25 state General Fund appropriations for personal services in the Departments of Corrections, Human Services, and Judicial. The resulting General Fund savings were in turn used to refinance the programs that had previously been supported by federal ARPA funds. The bill, in combination with House Bill 24-1465 (Program Changes Refinance Coronavirus Recovery Funds), also provided \$210.6 million in one-time funds that were used toward FY 2024-25 budget balancing.

Senate Bill 25-312 (American Rescue Plan Act Funds) implemented various technical adjustments to the changes authorized in H.B. 24-1366. It also included reductions to some programs previously authorized to use ARPA funds, providing \$33.5 million in one-time savings that were used for FY 2025-26 budget balancing.

**ARPA wrap up:** Federal law requires that the federal ARPA funds be obligated by December 31, 2024 and expended by December 31, 2026. Because of this, spending authority for virtually all of the one-time initiatives created using ARPA funds ends December 31, 2026.

- Money in the Revenue Loss Restoration Cash Fund, the Economic Recovery and Relief Cash Fund, the Behavioral and Mental Health Cash Fund, and the Economic Recovery and Relief Cash Fund (the ARPA-related funds), which are used for most of the programs that were created with ARPA dollars, is transferred to the General Fund December 31, 2026 in almost all cases.
- Money in the Discretionary Account of the ARPA Refinance State Money Cash Fund (Discretionary Account), which holds the share of the funds allocated to the Governor for his discretionary allocation to state departments, is transferred to the General Fund on June 1, 2027. This later deadline was to allow spending for final accounting of the funds, consistent with federal law.

When H.B. 24-1466 (Refinance Coronavirus State Fiscal Recovery Funds) swapped federal funds for state funds, it left most spending deadlines in place.

**Current Transfers:** The funds identified are available for transfer to the General Fund for various reasons including:

- Spending projections are lower than originally anticipated for some projects or have been deemed a lower priority than other state needs.
  - The bill reduces legislative appropriations to the Departments of Early Childhood and Health Care Policy and Financing for some programs that were created by the General Assembly.

- For projects that were created from funds set aside for the Governor’s discretionary use, there is no separate appropriation. This money is simply transferred from the Discretionary Account to the General Fund. Much of this money was set-aside by the Governor’s Office pending federal emergency management (FEMA) reimbursements and the resolution of disputes with the federal government about emergency preparedness grants for local governments. As federal money has been received by the State, these set-asides have been released and the amount that was set-aside is transferred to the General Fund.
- Some funds have reverted, which means some spending deadlines for programs created through legislation have passed, so the money appropriated can no longer be spent for the originally-designated purpose. This reverted money is in ARPA-related cash funds and is transferred to the General Fund.
- Statute allows the Governor’s Office to spend residual *federal* ARPA funds on allowable projects with General Fund appropriations. The federal government has agreed that unspent federal ARPA funds that were previously obligated but never expended may be allocated for new allowable purposes after the December 31, 2024 federal obligation deadline and before the December 31, 2026 federal spending deadline. Spending these extra federal funds on transportation projects drives savings of money that originated as General Fund in the State Highway Fund. These savings are transferred from the State Highway Fund to the General Fund.

# H.B. 26-1408: Processes to Determine State Budget Requests

Concerning the establishment of processes for the determination of budget requests for the upcoming state fiscal year.

## Prime Sponsors

Representatives Brown and Taggart; Senators Amabile and Bridges

## Bill Summary

This bill requires a state agency of the executive, legislative, or judicial branch of state government (as defined) to submit a base budget for the upcoming state fiscal year to the Joint Budget Committee (JBC) and the Office of State Planning and Budgeting (OSPB) on or before September 1 of each year, beginning in 2026. The base budget is comprised of the agency's prior year appropriations plus the out-year costs or savings from legislation and budget adjustments approved in prior years.

The bill also requires OSPB, in collaboration with the Executive Director of the Department of Personnel, to provide state agencies with information about the OSPB calculations for common policies that will be submitted in the Governor's November 1 request as soon as practicable prior to the submission of the November 1 request.

## Fiscal Impact

This bill has no fiscal impact. It modifies deadlines for agencies and OSPB to communicate certain information but does not otherwise change agency budgeting responsibilities.

## Background Information

Under current law, the Governor's Office is required to submit a balanced budget request by November 1 each year. This request includes *assumptions* for those agencies that are not under the Governor's authority, including judicial agencies, the legislative branch, and the departments overseen by independent elected officials (Law, State, Treasury). The actual *requests* from these separate agencies always differ from the Governor's assumptions.

The JBC anticipates that the Governor assumptions and independent agency requests will differ for "decision items" (budget changes) and proposals for new legislation, consistent with each entity's constitutional and statutory role.

However, sometimes differences are due to miscommunication about the base budget or common policy calculations.<sup>5</sup> For FY 2026-27, the Governor’s Office assumed \$28.1 million less General Fund would be requested by the Judicial Department, in total, than the sum of the requests submitted by Courts, Probation, Public Defender and Independent Agencies. The Governor’s Office stated that it had included common policy personal services amounts + 1.0 percent for the Department. Many of the Judicial agencies *also* indicated that they had included common policy + approximately 1.0 percent growth. However, the figures from the two sources were very different, in part because of differences in common policy calculations and in part because OSPB assumptions did not include the impact of prior year legislative action. In particular, new staff to be added in FY 2026-27 based on various bills, including S.B. 25-024 (Judicial Officers), were not accounted for in the OSPB assumptions. The current bill seeks to reduce these discrepancies.

---

<sup>5</sup> Independent entities may have different compensation policies, but they typically take statewide common policies into consideration when formulating their requests. There are also many statewide programs in which most independent agencies participate, e.g., health, life, dental, PERA benefits, risk management.

# H.B. 26-1409: Marijuana Tax Cash Fund Distributions

Concerning the Distribution of Money Collected from the Retail Marijuana Sales Tax.

## Prime Sponsors

Representatives Brown and Sirota; Senators Bridges and Kirkmeyer

## Bill Summary

The bill eliminates the distribution of marijuana special sales tax revenue to local governments and increases the allocation to the Marijuana Tax Cash Fund (MTCF) beginning in FY 2026–27. Additionally, beginning in FY 2026–27, the bill requires the annual transfer of any revenue in excess of the 15.0 percent reserve requirement from the MTCF to the State Public School Fund (SPSF).

## Fiscal Impact

The bill eliminates the distribution of marijuana special sales tax revenue to local governments, reducing local government revenues by approximately \$6.1 million in FY 2026–27 and \$6.2 million in FY 2027–28 and subsequent years. These funds will instead be allocated to the MTCF.

Based on the March 2026 Legislative Council Staff forecast, the bill is projected to result in a transfer of \$12.2 million from the MTCF to the SPSF in FY 2027–28, assuming appropriations and transfers remain consistent between FY 2026–27 and FY 2027–28. No transfer is anticipated in FY 2026–27, as the MTCF is not currently projected to end the year above the 15.0 percent reserve requirement.

## Background Information

Under current law, 96.5 percent of special sales tax revenue is retained by the state and allocated among the MTCF, the General Fund, the Marijuana Cash Fund, and the SPSF, while the remaining 3.5 percent is distributed to local governments. The bill modifies these allocations by eliminating the distribution to local governments and increasing the portion retained in the MTCF by a corresponding amount.

# **Section 4**

## **Pending Legislation Included for Balancing (Non-Package)**

## Multiple Departments

### **S.B. 26-149 (Pathways for Individuals with Mental Health Disorders)**

The budget package proposed by the JBC includes a \$9.6 million General Fund placeholder in FY 2025-26, and \$23.2 million General Fund in FY 2026-27 for S.B. 26-149. The bill is expected to clarify legal proceedings and establish services for people in the criminal justice system who are unlikely to be restored to competency due to neurocognitive and neurodevelopmental disorders. The bill is expected to impact multiple departments, including but not limited to the Departments of Health Care Policy and Financing, Human Services, and Judicial.

### **Applied Behavior Analysis Licensing**

The budget package proposed by the JBC includes a \$5.0 million General Fund placeholder in FY 2026-27 for legislation related to licensing Applied Behavior Analysis (ABA) providers and facilities. ABA is a treatment option for Autism Spectrum Disorder (ASD). ABA providers and facilities are currently unlicensed in Colorado. Legislation may impact multiple departments, including but not limited to the Departments of Health Care Policy and Financing and Human Services.

### **County administration shared services and regionalization**

The budget package proposed by the JBC includes a \$3.1 million General Fund placeholder in FY 2026-27 for legislation related to the establishment of statewide shared services and the regionalization of county administration for public and medical assistance programs. The bill is expected to impact multiple departments, including but not limited to the Departments of Health Care Policy and Financing and Human Services.

### **S.B. 26-042 (Revenue Reclassification Taxpayer Bill of Rights)**

The budget package proposed by the JBC includes a placeholder for a projected \$30.0 million decrease in the state's TABOR refund obligation as a result of S.B. 26-042. The bill specifies that certain types of revenue are considered collections for another government or damage awards, thus making these revenue streams exempt from TABOR. This decreases revenue subject to TABOR from FY 2025-26 onwards. For FY 2025-26, the bill is not expected to decrease revenue required to be refunded to taxpayers because the state is not projected to have a refund obligation. Beginning in FY 2026-27, the bill is expected to reduce revenue that will be refunded to taxpayers. This increases the available General Fund by the same amount.

### **TABOR Over-Refund Correction**

The budget package proposed by the JBC includes a placeholder for a \$153.0 million reduction in the state's TABOR obligation from a not yet introduced bill accounting for an asserted TABOR over-refund from FY 2024-25.

# Corrections

## Potential Prison Capacity Supplemental

The budget package proposed by the JBC includes a \$5.9 million General Fund placeholder to potentially expand male prison capacity in the Department of Corrections. The Long Bill includes the following footnote related to this placeholder:

“Department of Corrections, Management, External Capacity Subprogram, Payments to House State Prisoners, Payments to other in-state private prisons at a rate of \$115.74 per inmate per day -- It is the General Assembly's intent that if the standard caseload methodology used by Joint Budget Committee Staff for state fiscal year 2026-27 prison caseload funding, updated using the June 2026 Division of Criminal Justice prison caseload forecast, indicates the need for at least 200 beds of additional male prison capacity by the end of the 2026-27 state fiscal year beyond the state and private prison caseload beds funded in the fiscal year 2026-27 Long Bill, the Department of Corrections will submit an overexpenditure request pursuant to section 24-75-111, C.R.S., for additional contracted private prison beds that includes the department's calculations that indicate the need for at least 200 beds of additional male prison capacity.”

# Human Services

## Competency Services

The budget package proposed by the JBC includes a \$20.0 million General Fund placeholder in FY 2026-27 for competency services. The Office of State Planning and Budgeting submitted a budget request for \$30.1 million General Fund in FY 2026-27 on April 1, 2026, that has not yet been considered by the JBC. The request includes additional resources for jail-based competency restoration beds, contracts with private hospitals for inpatient competency restoration and civil commitment beds, and 13.0 FTE.

# Health Care Policy and Financing

## Medicaid Working Group

The budget package proposed by the JBC includes a \$500,000 General Fund placeholder in FY 2026-27 for a workgroup to improve the sustainability of the state's Medicaid programs.

## Adult Dental Cap

The budget package proposed by the JBC includes a placeholder for a projected \$1.4 million reduction in the state's TABOR obligation due to the package's \$3,000 annual cap on the Medicaid adult dental benefit. The cap is included in the Medicaid assumptions in the Long Bill appropriation.

This cap reduces projected expenditures from the Adult Dental Fund, and reduces the amount transferred from the Unclaimed Property Trust Fund (UPTF) to support the Adult Dental Fund. The UPTF is exempt from TABOR, but transfers to support the adult dental benefit cross the TABOR boundary and increase TABOR revenue. As a result, decreasing the transfer from the UPTF decreases TABOR revenue and therefore the refund obligation.

# Legislature

## **H.B. 26-1331 (Modify 2026 Interim Committees)**

The budget package proposed by the JBC includes a placeholder for a reduction of \$0.4 million General Fund associated with H.B. 26-1331. The bill suspends most interim committee activities for 2026 and reduces appropriations to the Legislative Department by a total of \$396,469 General Fund.

# **Section 5**

## **Appendices**

# Appendix A – Summary of Long Bill Sections

## Long Bill Sections

Bill Section	Fiscal Year	Department	Description
1-4	FY 2026-27	All	Headnotes and Long Bill appropriations for all departments and capital construction
5	FY 2025-26	Corrections	See the narrative section for Department of Corrections
6	FY 2025-26	Early Childhood	See the narrative section for Department of Early Childhood
7	FY 2025-26	Education	See the narrative section for Department of Education
8	FY 2025-26	Health Care Policy and Financing	See the narrative section for Department of Health Care Policy and Financing
9	FY 2025-26	Higher Education	See the narrative section for Department of Higher Education
10	FY 2025-26	Judicial	See the narrative section for Judicial Department
11	FY 2025-26	Local Affairs	See the narrative section for Department of Local Affairs
12	FY 2025-26	Personnel	See the narrative section for Department of Personnel
13	FY 2025-26	Public Health and Environment	See the narrative section for Department of Public Health and Environment
14	FY 2025-26	IT Capital	See the narrative section for IT Capital
15	FY 2025-26	Education	Appropriations Clause – See the narrative section for Department of Education
16	n/a	Safety Clause	Enacts the bill upon the signature of the Governor

## Appendix B – Common Policies

A common policy refers to general policies that are applied consistently to all departments. This appendix provides a brief explanation for each common policy. Most of the line item appropriations described below appear in the Executive Director’s Office section (or its equivalent) of a department’s budget.

Unless otherwise noted, the amounts described below do not include the higher education institutions. The common policies impact the higher education institution expenditures, but the institutions pay their costs from the lump sum appropriations provided by the General Assembly. The following tables show common policy appropriations for FY 2026-27.

### Employee Compensation Common Policies

The total appropriations impact of employee compensation common policies for FY 2026-27 is \$1.0 billion total funds, including \$556.6 million General Fund.

#### Employee compensation common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop Funds.	Federal Funds
Health, life, and dental	\$596,286,691	\$321,452,626	\$149,898,972	\$60,782,499	\$64,152,594
Paid family and medical leave insurance	13,333,713	7,102,049	3,351,280	1,459,547	1,420,837
PERA direct distribution	61,307,608	33,005,824	18,472,780	7,437,923	2,391,081
Salary survey	6,326,869	183,466	5,812,351	284,565	46,487
Shift differential	38,245,626	32,109,294	1,792,947	2,560,622	1,782,763
Short-term disability	2,074,135	1,104,763	521,311	227,041	221,020
Step plan	29,600,097	18,773,568	5,707,458	3,042,895	2,076,176
Unfunded liability amortization payments	296,304,798	157,823,313	74,472,906	32,434,380	31,574,199
Vacancy savings	-31,908,480	-14,911,832	-7,909,761	-4,435,325	-4,651,562
<b>Total</b>	<b>\$1,011,571,057</b>	<b>\$556,643,071</b>	<b>\$252,120,244</b>	<b>\$103,794,147</b>	<b>\$99,013,595</b>

### Health, Life, and Dental and Vacancy Savings

This line item adjusts the State contribution for employee health, life, and dental insurance premiums to match prevailing compensation. Statewide appropriations for health, life, and dental total \$596.3 million, including \$321.5 million General Fund, for FY 2026-27. This compares to base costs of \$485.8 million total funds, including \$268.8 million General Fund, identified for FY 2025-26.

A reduction of 1.5 percent of base salaries is included in health, life, and dental calculations for FY 2026-27. Reductions exclude the base salary estimate for “24-7” staff. This reduction is located in Health, Life, and Dental line items to provide agencies flexibility in how the reduction is implemented. The following table outlines the total reductions across all departments.

**FY 2026-27 1.5 percent of Base Salary Estimate to be taken in HLD as a one-time reduction [1]**

	Total Funds	General Fund	Cash Funds	Reapprop Funds.	Federal Funds
Agriculture	(\$449,867)	(\$135,687)	(\$242,453)	(\$33,576)	(\$38,151)
Corrections	(1,137,270)	(1,137,270)	0	0	0
Early Childhood	(416,427)	(180,419)	(81,449)	(43,634)	(110,927)
Education	(1,061,138)	(431,417)	(157,283)	(112,914)	(359,525)
Governor	(2,680,043)	(304,596)	(191,214)	(2,041,970)	(142,263)
Health Care Policy and Financing	(1,247,172)	(386,624)	(199,548)	0	(661,001)
Higher Education – DHE and HistCO	(345,050)	(113,880)	(182,636)	0	(48,534)
Human Services	(3,178,631)	(1,887,362)	(362,750)	(44,358)	(884,162)
Judicial	(5,627,423)	(5,358,248)	(236,287)	(32,888)	0
Labor and Employment	(2,421,597)	(157,889)	(1,073,493)	(113,331)	(1,076,885)
Law	(1,397,139)	(339,620)	(194,958)	(828,903)	(33,659)
Legislature	(765,165)	(765,165)	0	0	0
Local affairs	(327,173)	(77,418)	(112,991)	(94,214)	(42,551)
Military and Veterans Affairs	(245,597)	(99,524)	(4,733)	0	(141,341)
Natural Resources	(1,027,688)	(363,578)	(528,356)	(86,942)	(48,813)
Personnel	(643,854)	(294,093)	(18,968)	(330,794)	0
Public Health and Environment	(3,085,961)	(521,282)	(1,251,936)	(281,607)	(1,031,136)
Public Safety	(2,202,609)	(1,282,883)	(606,482)	(301,299)	(11,946)
Regulatory Agencies	(965,556)	(23,048)	(841,887)	(79,950)	(20,672)
Revenue	(2,067,972)	(998,774)	(1,060,251)	(8,948)	0
State	(261,665)	0	(261,665)	0	0
Transportation	(265,052)	0	(265,052)	0	0
Treasury	(88,436)	(53,061)	(35,375)	0	0
<b>Total</b>	<b>(\$31,908,479)</b>	<b>(\$14,911,832)</b>	<b>(\$7,909,761)</b>	<b>(\$4,435,325)</b>	<b>(\$4,651,562)</b>

[1] Totals may not add due to rounding.

## Paid Family and Medical Leave Insurance

Colorado Proposition 118, Paid Family Medical Leave Initiative, was approved by voters in November 2020 and implemented in FY 2024-25. The initiative created a paid family and medical leave insurance program for all Colorado employees administered by the Colorado Department of Labor and Employment. This requires employers and employees in Colorado to pay a payroll premium (.90 percent with a minimum of half paid by the employer) to finance paid family and medical leave insurance benefits. Payroll premiums began on January 1, 2023.

Statewide appropriations for Paid Family and Medical Leave Insurance total \$13.3 million, including \$7.1 million General Fund, for FY 2026-27. This compares to base costs of \$12.9 million total funds, including \$7.1 million General Fund, identified for FY 2025-26.

## PERA Direct Distribution

The PERA Direct Distribution was added as a common policy allocation in the 2019 Long Bill pursuant to Section 24-51-414 (2), C.R.S. A line item in each department provides an appropriation of General Fund, cash funds, reappropriated funds, and federal funds based on a billing allocation (proportional to ULAP allocations) for the

State's share of the \$225.0 million annual PERA Direct Distribution payment required by Section 24-51-414 (1), C.R.S.

For FY 2026-27, the state employee share is \$61.3 million total funds. This compares to \$60.4 million for FY 2025-26.

The Long Bill includes a corresponding informational appropriation of \$225.0 million for the Department of the Treasury, which includes \$61.3 million reappropriated funds collected from departments for the State and Judicial PERA divisions, and a General Fund appropriation of \$163.7 million for the School and Denver Public Schools PERA divisions.

## Salary Survey and Step Pay Plan

Salary Survey appropriations total \$6.3 million total funds, including \$0.2 million General Fund, for FY 2026-27. This compares with \$80.7 million total funds, including \$42.8 million General Fund, for FY 2025-26. Salary Survey component adjustments include:

- no system maintenance study salary range adjustments;
- a 1.0 percent across-the-board salary range adjustment;
- no across-the-board/cost of living adjustment (ATB/COLA) salary increase for FY 2026-27;
- a minimum wage adjustment to \$16.55 per hour; and
- increases for the Colorado State Patrol movement-to-range-minimum pay plan adjustments.

The Step Pay appropriation includes amounts to fund the step pay plan in FY 2026-27, as defined in the revised partnership agreement through the collective bargaining process. The step pay increases result from the movement of employees covered under the agreement through the pre-defined pay ranges (steps) based on time spent in the job series.

In prior years the step pay adjustment was made after accounting for an across-the-board salary survey increase, reducing the total cost of the actual step pay increase. To increase transparency of the cost of the Step Pay plan, for FY 2026-27, the step pay adjustment is calculated on the full cost of the step pay plan for covered employees.

The Step Pay increase is calculated as an average of 1.0 percent of the base salary estimate for covered employees. Therefore, a step-like increase is provided at an average of 1.0 percent of the base salary estimate for all non-covered employees. While the covered employee step pay increase is calculated and distributed based on each employee's step pay qualification, the step-like amount for non-covered employees is provided to the agency as a lump sum amount to be distributed on a merit award basis and is not provided as an "across-the-board" amount per non-covered employee.

Step Pay appropriations total \$29.6 million, including \$18.8 million General Fund for FY 2026-27. This compares with \$16.5 million total funds, including \$9.9 million General Fund for FY 2025-26.

## Shift Differential

Shift differential payments provide higher wages for evening, night, and weekend shifts, except for State Troopers who do not receive shift differential adjustments. Long Bill appropriations for shift differential payments for FY 2026-27 total \$38.2 million, including \$32.1 million General Fund, primarily for the Departments of Corrections and Human Services. That compares to \$37.9 million, including \$28.6 million General Fund, for FY 2025-26. Shift differential is set at 100.0 percent of the most recently-ended fiscal year's (FY 2024-25) actual expenditures.

## Short-term Disability

All state employees are eligible for employer-paid short-term disability insurance. Long Bill appropriations are calculated based on 0.07 percent of revised base salary (base salary plus salary increases and shift differential) for FY 2026-27. This is a continuation of the rate from FY 2025-26 as a result of the calculation of claims expectations from the State's insurer. Statewide short-term disability appropriations for FY 2026-27 total \$2.1 million, including \$1.1 million General Fund. This compares to \$2.0 million, including \$1.1 million General Fund, for FY 2025-26.

## Unfunded Liability Amortization Payments (ULAP)

Pursuant to S.B. 04-257 and S.B. 06-235, two different payments are made by the State to assist in the amortization of PERA's unfunded liability. Prior to FY 2024-25, these payments were reflected in two separate line items which have now been combined into a single line item. The total appropriation is calculated as a percentage of base salary plus salary increases and shift differential pay. For all employees and judges, the contribution rate totals 10.0 percent. The Long Bill includes \$296.3 million total funds, including \$157.8 million General Fund, for FY 2026-27. This compares to \$287.5 million total funds, including \$157.4 million General Fund, for FY 2025-26.

## Operating Common Policies

The total appropriations impact of operating common policies for FY 2026-27 is \$557.0 million total funds, including \$219.5 million General Fund.

### Operating common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop Funds.	Federal Funds
Administrative law judge services	\$6,032,608	\$1,036,717	\$4,019,366	\$196,970	\$779,555
Capitol Complex leased space	20,375,975	9,079,425	5,570,831	4,836,612	889,107
Legal services	79,735,513	25,607,167	32,131,625	18,682,507	3,314,214
Payments to the Office of Info. Tech	298,261,623	125,654,195	104,451,517	45,961,950	22,193,961
Risk management and property	40,959,945	21,467,391	15,119,421	4,098,744	274,389
State accounting system (CORE)	9,310,917	3,961,286	2,562,086	2,356,251	431,294
Statewide indirect costs	22,974,956	0	14,887,213	4,943,843	3,143,900
Vehicle lease payments	34,703,751	11,112,247	20,820,775	2,247,291	523,438
Workers' compensation	44,668,243	21,582,462	13,824,898	8,503,853	757,030
<b>Total</b>	<b>\$557,023,531</b>	<b>\$219,500,890</b>	<b>\$213,387,732</b>	<b>\$91,828,021</b>	<b>\$32,306,888</b>

## Administrative Law Judge Services

Funds for Administrative Law Judge (ALJ) services, which are provided by the Department of Personnel, are included for the 14 departments that use these services. Billing is calculated by identifying the budget year's base costs (personal services, operating expenses, and indirect costs) plus the program's share of the Department of Personnel's prior-fiscal-year benefits and common policy costs. These costs are then allocated to departments for the upcoming fiscal year according to the actual percentage of service hours each agency utilized in the prior fiscal year. Statewide spending authority for ALJ services totals \$6.0 million in FY 2026-27 compared to \$11.5 million for FY 2025-26. The decrease is primarily due to one-time funding in FY 2025-26 for upgrades to the court management system used by the Office of Administrative Courts.

## Capitol Complex Leased Space

This line item provides funds to pay the Department of Personnel for property management for departments occupying state-owned space in the Capitol Complex, the North Campus facility, the Pierce Street Building, the Grand Junction State Office Building, and Camp George West. This line item generally appears in each department's Executive Director's Office or its equivalent. Each campus has a distinct rental rate per square foot calculated on the pooled expenses of the campus. Statewide allocations total \$20.4 million in FY 2026-27 compared to \$16.8 million for FY 2025-26; however, the General Fund associated with Capital Complex leased space payments decreases slightly from \$9.6 million in FY 2025-26 to \$9.1 million in FY 2026-27.

The total funds increase is due to a change in the method used for allocating costs, wherein departments pay the full cost of their leased space. Excess fund balance in the cash fund supporting the Capital Complex is now used to offset the cost of vacant square footage, which would otherwise require General Fund.

## Legal Services

This line item provides funding to purchase necessary legal services from the Department of Law. The average blended rate across agencies for FY 2026-27 is \$132.50 per hour for legal services, which are provided by both attorneys and legal assistants. This compares to a rate of \$146.06 per hour for FY 2025-26. The payments that client agencies make to the Department of Law are sufficient to pay all the direct and indirect costs of supplying the services. The blended rate is multiplied by the three-year average of actual legal service hours provided to each client agency to determine the final appropriation.

## Payments to OIT

This line generally appears in each department's Executive Director's Office, or its equivalent, and provides funding to pay for information technology services provided by the Governor's Office of Information Technology (OIT). The Long Bill includes recoverable costs of \$298.3 million total funds, including \$125.7 million General Fund, for FY 2026-27. This compares to \$290.2 million total funds, including \$141.2 million General Fund, for FY 2025-26.

## Payment to Risk Management and Property Funds

This line item provides funding to pay each department's share of the statewide cost of property and liability insurance coverage. Amounts are based on a three-year average loss history as verified by an independent actuarial firm. The Department of Personnel has continuous spending authority for the property and liability program claims, premiums, and legal expenses, but not for administrative costs. The Long Bill includes \$41.0 million total funds, including \$25.9 million for property and \$15.1 million for liability for FY 2025-26. This compares to \$66.6 million total funds for FY 2024-25, including \$41.6 million for property and \$24.9 million for liability. The reduction is due primarily to substantial cost offsets from excess fund balances in the supporting cash funds used to reduce allocated costs.

## State Accounting System (CORE)

The Colorado Operations Resource Engine (CORE) is the state accounting, financial reporting, and payroll system managed by the Department of Personnel. The costs to operate CORE include employee salaries, operating expenses, and technology costs. These costs are proportionally allocated to all departments based on their actual system usage, as measured by the number of system reports created for each department. The CORE Operations line item in each department's Executive Director's Office, or its equivalent, provides funding for the department's share of operating and maintaining the state accounting, financial reporting, and payroll system. Statewide spending authority for CORE services totals \$9.3 million in FY 2026-27 compared to \$2.1 million for FY 2025-26. The increase is primarily due to two factors: less excess cash funds balance available to offset total program costs and the implementation of a new payroll system. The former factor increases total costs by \$6.5 million, the latter adds \$0.8 million to the upcoming fiscal year.

## Statewide Indirect Costs

Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset the costs of providing central services for cash-funded and federally-funded programs that would otherwise be supported by General Fund. In practice, each cash funded or federal funded program in a department is charged a proportional indirect cost assessment that includes statewide and departmental indirect costs. These indirect cost recoveries are used to offset General Fund appropriations in each department's Executive Director's Office. The statewide indirect cost recovery plan is estimated to recover \$23.0 million in FY 2026-27, unchanged from the previous fiscal year.

## Vehicle Lease Payments

Pursuant to Section 24-30-1117, C.R.S., state agency motor vehicles may only be purchased through the Fleet Management Program administered by the Department of Personnel. Long Bill appropriations are based on the amount necessary for each department's vehicle lease payments, which vary according to the number, models, and types of leased vehicles. The Long Bill includes funding for 545 replacement vehicles, consisting of 326 alternative fuel vehicles, and 219 standard vehicles. For FY 2025-26, funding was provided for 552 replacement vehicles, consisting of 470 alternative fuel vehicles and 82 standard vehicles.

Statewide appropriations to state agency Vehicle Lease Payments line items for FY 2026-27 total \$34.7 million in comparison to \$35.1 million total funds for FY 2025-26. The appropriation for the Department of Personnel's Fleet Management Vehicle Replacement Lease/Purchase line item for FY 2026-27 is \$40.1 million reappropriated funds, in comparison to \$34.4 million reappropriated funds for FY 2025-26.

## **Workers' Compensation**

This line item provides funding for each department's share of the statewide cost of workers' compensation coverage, based on a three-year average loss history as verified by an independent actuarial firm. The State is self-insured and provides coverage for employees in all departments except for institutions of higher education, which operate separate self-insured programs. The Long Bill appropriation for the workers' compensation program totals \$44.7 million total funds for FY 2026-27, compared to \$34.5 million total funds for FY 2025-26.

# Appendix C – Highway Users Tax Fund Off-the-top

The Highway Users Tax Fund (HUTF) receives revenues from:

- Gas, special-fuel, and passenger-mile taxes;
- license plate, driver's license, motor vehicle, and registration fees; and
- various fines.

The Colorado Constitution limits expenditures from gas taxes and license and registration fees exclusively to the construction, maintenance, and supervision of state highways<sup>6</sup>.

The HUTF "off-the-top" refers to the portion of the HUTF appropriated for supervision of highways. This portion is appropriated to the Department of Public Safety before the formula allocation to the State Highway Fund, counties, and cities. It is primarily allocated to the Colorado State Patrol for personal services and operating expenses. The growth of HUTF "off-the-top" appropriations is limited to no more than 6.0 percent annually<sup>7</sup>. This growth in appropriations is regardless of any change in overall highway-related revenues. Compensation for state troopers makes up the majority of HUTF "off-the-top" appropriations.

The following table provides the HUTF off-the-top FY 2025-26 base and the FY 2026-27 appropriation included in the budget package. It does not include additional legislation that may be enacted. If the budget package is passed as introduced, there will be no remaining HUTF off-the-top for other legislation.

### HUTF off-the-top Appropriations

Item	Appropriation	Percent Change
FY 2025-26 HUTF off-the-top appropriation	\$220,785,762	
6.0 Percent Growth	13,247,146	6.0%
FY 2026-27 HUTF off-the-top limit	\$234,032,908	
FY 2026-27 HUTF Off-the-Top Long Bill Package Appropriation	\$234,032,908	6.0%
FY 2026-27 HUTF Recommendation	\$234,032,908	6.0%
Over / Under HUTF Off-the-Top Appropriations Limit	\$0	

<sup>6</sup> Section 18 of Article X of the Colorado Constitution

<sup>7</sup> Section 43-4-201 (3)(a)(I)(C), C.R.S.