



Joint Budget Committee

Supplemental Budget Requests

FY 2025-26

Department of Law

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January 15, 2026

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Overview of Law

The Department of Law 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. The elected Attorney General serves as the Chief Executive Officer of the Department of Law. For FY 2025-26, appropriations to the Department of Law account for 0.2 percent of statewide General Fund and 0.3 percent of statewide total appropriations.

Summary of Staff Recommendations

FY 2025-26 Summary

Department of Law: Recommended Changes for FY 2025-26

Item	Total Funds	General Fund	Cash Funds	Reaprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
SB 25-206 Long Bill	\$151,919,365	\$28,669,324	\$25,514,253	\$93,800,797	\$3,934,991	663.8
Other legislation	508,203	180,417	\$0	327,786	0	3.0
Current FY 2025-26 Appropriation	\$152,427,568	\$28,849,741	\$25,514,253	\$94,128,583	\$3,934,991	666.8
Recommended Changes						
Current FY 2025-26 Appropriation	\$152,427,568	28,849,741	\$25,514,253	\$94,128,583	\$3,934,991	666.8
S1/BA1 River basins litigation funding	0	0	0	0	0	0.0
S2/BA2 Leased space	-607,687	-163,801	-81,659	-362,227	0	0.0
Impacts driven by other agencies [1]	83,088	1,783	24,999	61,463	-5,157	0.0
Recommended FY 2025-26 Appropriation	\$151,902,969	\$28,687,723	\$25,457,593	\$93,827,819	\$3,929,834	666.8
Recommended Increase/-Decrease from						
2025-26	-\$524,599	-\$162,018	-\$56,660	-\$300,764	-\$5,157	0.0
Percentage Change	-0.3%	-0.6%	-0.2%	-0.3%	-0.1%	0.0%
FY 2025-26 Executive Request	\$151,902,969	\$28,687,723	\$25,457,593	\$93,827,819	\$3,929,834	666.8
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

[1] These requests will be discussed in presentations for requesting agency.

Changes are assumed to be one-time unless otherwise noted.

S1/BA1 River basins litigation funding: The request includes a net-zero transfer of spending authority of the Colorado Water Conservation Board (CWCB) Litigation Fund from the Defense of the Republican River Basin Compact line item to the Consultant Expenses line item to respond to increased litigation concerning the waters of Colorado.

Current Year: Transfers \$74,909 cash funds between the line items identified above

Second Year and ongoing: Combines the Defense of the Republican River Basin Compact line item with the Consultant Expenses line item. Adds \$3.8 million cash funds from the CWCB Litigation Fund to the Water and Natural Resources section to continue defense of the waters of Colorado.

The recommendation is to approve the requested change.

S2/BA2 Leased space: The request includes eliminating funding for leased space to prepare to move back to the Ralph L. Carr Center.

Current Year: Eliminates the appropriation for Leased Space at 1700 Lincoln Street for a total reduction of \$607,687, including \$163,801 fewer General Fund. The Office of the State Public Defender has a corresponding request to vacate space the Department of Law intends to add to its leased space.

Second Year and ongoing: The request includes a net reduction in total funds appropriated for leased space of \$115,208, including a reduction of \$33,189 General Fund allowing for the Department of Law to take over leased space currently allocated to the Office of the State Public Defender.

The recommendation is to approve the Department request as a placeholder. A final recommendation will be made January 22, 2026, during the Judicial Independent Agencies staff presentation.

Impacts driven by other agencies: The request includes a net increase of \$83,088 for requests from other state agencies. These are also called “non-prioritized requests.” The amounts shown in the table below reflect the impacts of requests made by other agencies. These requests are discussed during supplemental presentations for the lead requesting agency, at which point a staff recommendation will be made. Staff will update these figures to reflect the Committee’s decisions on these requests.

Impacts driven by other agencies

Item	Total Funds	General Fund	Cash Funds	Reaprop. Funds	Federal Funds	FTE
Health, Life, and Dental supplemental	\$338,340	\$81,383	\$57,255	\$191,043	\$8,659	0.0
OIT Real time billing	-250,856	-64,704	-32,256	-143,080	-10,816	0.0
DPA Annual fleet supplemental	-4,396	-14,896	0	13,500	-3,000	0.0
Total	\$83,088	\$1,783	\$24,999	\$61,463	-\$5,157	0.0

Department Supplemental Requests

→ S1/BA1 River basins litigation funding

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$0	\$0	\$0	\$0	\$0	0.0
Recommendation	0	0	0	0	0	0.0
Staff Recommendation Higher/-Lower than Request	\$0	\$0	\$0	\$0	\$0	0.0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **YES**

An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.

Explanation: JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made, specifically actions taken by other states that could impact Colorado adversely.

Request

The Department of Law is requesting a net-zero supplemental request to move \$74,909 cash funds in FY 2025-26 from the Defense of the Republican River line to the Consultant Expenses line to align forecast budget needs with anticipated litigation needs across each river basin.

Additionally, the Department requests \$3.8 million cash funds FY 2026-27 Budget Amendment to increase the legal and litigation budgets to address forecasted needs across the river basins. This request will provide additional necessary spending authority under the Defense of the Colorado River Basin Compact line item, as well as reallocating the full \$110,000 in the Defense of the Republican River Basin Compact line to the Consultant Expenses line item and will increase needed resources across the river basin portfolio. The additional dollars will provide flexibility to direct litigation expenses to effectively protect Colorado's interests in the Colorado, Republican, Rio Grande, South Platte, and Arkansas River Basins using the Consultant Expenses line as well as the Defense of the Colorado River line. These resources will address anticipated increases in litigation, case work, travel, and the work of expert consultants.

FY 2026-27 Summary of Request and Recommendation

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	\$3,791,555	\$0	\$3,791,555	\$0	\$0	0.0
Recommendation	3,791,555	0	3,791,555	0	0	0.0
Staff Recommendation Higher/-Lower than Request	\$0	\$0	\$0	\$0	\$0	0.0

Recommendation

Staff recommends that the Committee approve the requested change for both the supplemental and budget amendment. The Department notes it is working with the Colorado Water Conservation Board (CWCB) to ensure this funding is available in the CWCB Litigation Fund, which will be addressed in the FY 2026-27 Water Projects bill.

Until that funding is approved, agreeing with the Department's request only provides spending authority that is dependent on funding being allocated to the CWCB Litigation Fund accomplished through the water projects bill. Funding is primarily intended to pay consultant and expert fees and does not fund new water law attorney positions (FTE) in the Department of Law. The increase of \$3.8 million from the CWCB would likely impact the amount of support for water projects otherwise suited for spending from CWCB sources.

Analysis

The Department reports that the state is experiencing a spike in water-related litigation. The increased legal action reflects a combination of legal complexity in management of its interstate water rights system, increasing competition for limited water due to prolonged dry hydrology, increasing demands, and interstate disputes.

One of the most visible examples of interstate disputes is the conflict with Nebraska over South Platte River water. Nebraska filed a lawsuit with the U.S. Supreme Court, arguing that Colorado is not delivering the water it is entitled to under a nearly 102-year-old compact. This case, along with many others, necessitated increased spending to defend Colorado's rights and interests. The Department is working closely and collaboratively with the CWCB to keep the board informed of all new litigation and has sought the Board's approval for any requests to increase current funding levels.

The Department's Water Unit is funded primarily by the CWCB Litigation Fund in accordance with Section 37-60-121(2.5)(a), C.R.S. The Department's Long Bill includes three budget lines funded by this cash fund and appropriations represent spending authority from the CWCB Litigation Fund. Currently, three basins are funded within the Consultant Expenses line: Rio Grande, South Platte, and Arkansas Rivers. The Department's request includes adding the Republican River litigation needs in the Consultant Expenses line item beginning on July 1, 2027. The CWCB Litigation Fund is funding that is diverted from the CWCB Construction Fund and the diversions typically occur through the annual Water Projects bill.

The Department has provided a summary of each of the river basins it protects and how expenditures related to each have changed over time.

Colorado River Basin Compact

The Department defends Colorado's rights and interests in the Colorado River. This includes expenses including salaries and state benefit requirements for the allocated 4.5 FTE, travel and operating costs, and expert consultant fees. This budget is necessary for the Department to provide essential advice on compact compliance strategies, water rights administration in Colorado and throughout the basin, post-2026 operations at Lake Powell and Lake Mead, and any ongoing or upcoming litigation that could affect Colorado's rights and interests in the Colorado River.

Republican River Basin

The Republican River line item has traditionally funded experts and other relevant litigation expenses to address the legal support of the Republican River. Recently, Colorado has seen a sharp decrease in litigation and costs related to the Republican River. This is because much of the major litigation over the Republican River Compact, particularly disputes involving alleged overuse of water by Nebraska and Colorado, was resolved through legal settlement agreements after earlier Supreme Court cases and negotiations. Further, there have been no new allegations of compact violations on the Republican River that would prompt new litigation. For these reasons, beginning in 2027, the Department requests to eliminate the separated Republican River line item within the Long Bill and move the funds to the Consultant Expenses line item for greater flexibility to use this traditional funding to support more pressing legal needs across the state's river basin portfolio.

The Department will continue to defend Colorado's rights and interests under the Republican River Compact within the Consultant Expenses line. Under the settlement of the case previously before the U.S. Supreme Court, there are continuing costs for expert consultants, travel, and operations related to compact administration among Nebraska, Kansas, and Colorado. There is also required work of expert consultants to implement the accounting consistent with settlements and court decisions. Moreover, after receiving a favorable ruling from the Water Court in Division No. 1 adopting the compact compliance rules, the Department will require funds for on-going expert consultant contracts and travel expenses to now implement the compact compliance rules.

Rio Grande River Basin

For FY 2026-27, the Department will continue to protect Colorado's rights and interests under the Rio Grande River Compact through litigation and settlement negotiations with Texas, New Mexico, and the United States. In doing so, the Department will incur necessary expenses like expert consultants that can analyze claims and proposed settlements, as well as costs for court-ordered mediation, travel, and other operational costs.

The Department is also participating in various lengthy and complex groundwater rules cases in Division No. 3 Water Court that could affect the State Engineer's administration of water rights for compliance with the Rio Grande Compact. Two lengthy trials are set for June 2026 but could be rescheduled to sometime in FY 2026-27.

South Platte River Basin

For FY 2026-27, the Department will defend Colorado's rights and interests under the South Platte River Compact. In doing so, the Department will incur necessary expenses, travel and operating expenses, and retention of expert consultants to defend against Nebraska's claims against Colorado filed before with U.S. Supreme Court in July 2025. The Department will also continue to incur expenses on matters impacting the South Platte River Compact and the Platte River Recovery Implementation Plan.

Arkansas River Basin

For FY 2026-27, the Department will defend Colorado's rights and interests under the Arkansas River Compact. There are numerous on-going complex projects and studies being conducted in partnership with Kansas to ensure continued compliance with the Arkansas River Compact. The Department anticipates increased expenditures for travel, operating expenses, and expert consultants on matters that affect the Arkansas River Basin in FY 2027.

→ S2/BA2 Leased space

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	-\$607,687	-\$163,801	-\$81,659	-\$362,227	\$0	0.0
Tentative Recommendation	-607,687	-163,801	-81,659	-362,227	0	0.0
Staff Recommendation Higher/-Lower than Request	\$0	\$0	\$0	\$0	\$0	0.0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? **YES**

An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.

Explanation: JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made, specifically that the lessor of the current space occupied is unwilling to extend leases on a short-term basis and that the OSPD would be seeking another tenant to take over its Carr Center leased space allocation.

Request

The Department requests a supplemental reduction of \$607,687 total funds, including \$163,801 General Fund in FY 2025-26 to eliminate spending authority for leased space at 1700 Lincoln because the lessor does not want to extend the current lease for any short-term bridge periods when the current lease expires.

For FY 2026-27, the Department of Law seeks an increase of \$492,479, including \$138,360 General Fund to its appropriation for the Ralph L. Carr Center to increase the amount of leased space from 208,653 square feet to 263,771 square feet, and increase of 55,118 square feet.

This is offset by reductions to appropriations for a commercial lease that will terminate this fiscal year, resulting in a total FY 2026-27 impact a reduction of \$115,208 total funds and \$33,189 General Fund.

The space being requested by the Department of Law is currently allocated to the Office of the State Public Defender. JBC Staff is coordinating with the Department of Law, the Judicial branch, and the Office of State Public Defender to make a comprehensive recommendation at a later date.

FY 2026-27 Department of Law Leased Space

	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds
Ralph L. Carr leased space	\$492,479	\$138,360	\$61,703	\$276,913	15,503
1700 Lincoln leased space	-607,687	-171,549	-79,475	-356,663	0
Total FY 2025-26 Change	-\$115,208	-\$33,189	-\$17,772	-\$79,750	\$15,503

Recommendation

Staff recommends the Committee approve the Department request as a placeholder and requests permission to reflect the Committee's final decision due to the request involving several agencies. JBC Staff will provide a

comprehensive recommendation regarding leased space changes requested by the Department of Law and the Office of the State Public Defender, ensuring considerations over statewide costs and the Judicial branch are thoroughly reviewed. That recommendation is expected to be made on January 22, 2026.

Appendix A: Numbers Pages

Appendix A details the supplemental changes recommended by staff, including the actual expenditures for the previous state fiscal year, the appropriation for the current fiscal year, and the requested and recommended appropriation changes for the current fiscal year. Appendix A organizes this information by line item and fund source.

JBC Staff Supplemental Recommendations - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Numbers Pages

	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2025-26 Requested Change	FY 2025-26 Rec'd Change	FY 2025-26 Total w/Rec'd Change
Department of Law					
Phil Weiser, Attorney General					
S1 River basins litigation funding					
(4) Water and Natural Resources					
Defense of the Republican River Compact	<u>110,000</u>	<u>110,000</u>	<u>-74,909</u>	<u>-74,909</u>	<u>35,091</u>
Cash Funds	110,000	110,000	-74,909	-74,909	35,091
Consultant Expenses	<u>475,000</u>	<u>475,000</u>	<u>74,909</u>	<u>74,909</u>	<u>549,909</u>
Cash Funds	475,000	475,000	74,909	74,909	549,909
Total for S1 River basins litigation funding	585,000	585,000	0	0	585,000
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	585,000	585,000	0	0	585,000

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Staff Working Document - Does Not Represent Committee Decision

	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2025-26 Requested Change	FY 2025-26 Rec'd Change	FY 2025-26 Total w/Rec'd Change
S2 Lease payments					
(1) Administration					
Ralph L. Carr Colorado Judicial Center Leased Space	<u>3,701,935</u>	<u>3,727,340</u>	<u>0</u>	<u>0</u>	<u>3,727,340</u>
General Fund	964,602	1,001,570	0	0	1,001,570
Cash Funds	487,574	479,263	0	0	479,263
Reappropriated Funds	2,126,693	2,125,974	0	0	2,125,974
Federal Funds	123,066	120,533	0	0	120,533
1700 Lincoln Lease Payments	<u>0</u>	<u>607,687</u>	<u>-607,687</u>	<u>-607,687</u>	<u>0</u>
General Fund	0	163,801	-163,801	-163,801	0
Cash Funds	0	81,659	-81,659	-81,659	0
Reappropriated Funds	0	362,227	-362,227	-362,227	0
Total for S2 Lease payments	3,701,935	4,335,027	-607,687	-607,687	3,727,340
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	964,602	1,165,371	-163,801	-163,801	1,001,570
Cash Funds	487,574	560,922	-81,659	-81,659	479,263
Reappropriated Funds	2,126,693	2,488,201	-362,227	-362,227	2,125,974
Federal Funds	123,066	120,533	0	0	120,533

JBC Staff Supplemental Recommendations - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2025-26 Requested Change	FY 2025-26 Rec'd Change	FY 2025-26 Total w/Rec'd Change
Totals Excluding Pending Items					
LAW					
TOTALS for ALL Departmental line items	146,112,459	152,427,568	-607,687	-607,687	151,819,881
FTE	655.5	666.8	0.0	0.0	666.8
General Fund	26,847,104	28,849,741	-163,801	-163,801	28,685,940
Cash Funds	25,136,497	25,514,253	-81,659	-81,659	25,432,594
Reappropriated Funds	90,294,259	94,128,583	-362,227	-362,227	93,766,356
Federal Funds	3,834,599	3,934,991	0	0	3,934,991