



Joint Budget Committee Staff

Nonpartisan Budget Analysis for Colorado's Legislature

Supplemental Narrative

Fiscal Year 2025-26

Joint Budget Committee

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Overview of Supplemental Bill Package

Process for Making Mid-year Changes

In June, September, October, November, and December 2025, the Joint Budget Committee (JBC) acted on interim requests from state agencies to authorize expenditures in excess of existing appropriations. These requests involved appropriations for FY 2022-23, FY 2024-25, and FY 2025-26. The process for addressing these requests is established in Section 24-75-111, C.R.S. When the JBC approves such requests, it commits to introduce legislation in the following legislative session to amend appropriations to reflect the authorized overexpenditures.

On January 2, 9, and 15, 2026, the Governor, Judicial Branch agencies, and independent elected officials submitted additional requests for mid-year appropriation changes (“regular supplemental requests”). Over the last few weeks, the JBC has acted on these requests and has now introduced a number of bills to make the approved appropriation changes and any necessary associated statutory changes. These bills incorporate both the changes that were approved by the JBC in January 2026 and the changes to address the overexpenditures that were authorized during the legislative interim. This narrative summarizes the budget changes that are included in this package of bills.

Please note that the JBC may consider additional mid-year appropriation changes in late February and in March. For example, those adjustments may include changes based on the Medicaid caseload and expenditure forecast that will be submitted in mid-February. The JBC will include any additional approved mid-year changes as part of the 2026 Long Bill Budget Package for the General Assembly’s consideration.

Overview of Changes by Fiscal Year and Fund Source

FY 2022-23 Appropriation and Supplemental Recommendation

House Bill 26-1172 makes the following changes to FY 2022-23 appropriations for capital construction:

- Adds \$7.5 million cash funds from institutional sources and an extension of spending authority through FY 2026-27 for the Boulder Creek Building Remodel and Addition project at the Community College of Denver.
- Shifts \$446,212 cash funds between two projects in the Department of Corrections.

FY 2024-25 Appropriation and Supplemental Recommendation

Table 1: FY 2024-25 Grand Total Appropriations

| Item | Total Funds | General Fund [1] | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|----------------------------------|------------------|------------------|------------------|-----------------|------------------|----------|
| Current FY 2024-25 Appropriation | \$44,937,098,202 | \$15,861,773,126 | \$13,096,074,519 | \$2,836,373,303 | \$13,142,877,254 | 66,396.0 |

| Item | Total Funds | General Fund [1] | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|---|------------------|------------------|------------------|-----------------|------------------|----------|
| Supplemental appropriation bill changes | 127,180,530 | 82,645,753 | 24,488,261 | 15,703,784 | 4,342,732 | 0.0 |
| Recommended appropriation | \$45,064,278,732 | \$15,944,418,879 | \$13,120,562,780 | \$2,852,077,087 | \$13,147,219,986 | 66,396.0 |
| Increase/-decrease | \$127,180,530 | \$82,645,753 | \$24,488,261 | \$15,703,784 | \$4,342,732 | 0.0 |
| Percentage Change | 0.3% | 0.5% | 0.2% | 0.6% | 0.0% | 0.0% |

[1] Includes General Fund Exempt.

As shown in Table 1, the adjustments to FY 2024-25 operating appropriations add \$127.2 million total funds, including \$82.6 million General Fund. The changes impact the following departments: Corrections, Health Care Policy and Financing, Higher Education, Judicial, Human Services, Personnel, and Treasury. The most significant change is an increase of \$110.8 million total funds and \$68.6 million General Fund accounting for an overexpenditure in the Department of Health Care Policy and Financing. The changes for each department are discussed in the narrative in Part II.

Table 1 reflects the changes to operating appropriations. In addition to those changes, H.B. 26-1172 adds \$1.0 million from institutional cash funds for the Colorado Mesa University Performing Arts Center expansion and renovation capital construction project. H.B. 26-1173 reduces FY 2024-25 appropriations for information technology capital projects by a total of \$14.1 million. That net change includes an increase of \$2.5 million cash funds from institutional sources for a project at Metropolitan State University and a reduction of \$16.5 million total funds related to the Colorado Benefits Management System.

FY 2025-26 Appropriation and Supplemental Recommendation

Table 2: FY 2025-26 Grand Total Appropriations

| | Total Funds | General Fund [1] | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|---|------------------|------------------|------------------|-----------------|------------------|----------|
| Current FY 2025-26 Appropriation | \$46,709,922,360 | \$16,941,614,180 | \$12,898,989,852 | \$2,899,091,508 | \$13,970,226,820 | 67,277.8 |
| Supplemental appropriation bill changes | 889,189,567 | 175,435,566 | 222,713,948 | -16,320,039 | 507,360,092 | 0.1 |
| Supplemental package bill changes | -112,223,388 | -4,390,919 | -103,472,508 | 0 | -4,359,961 | -0.3 |
| Recommended appropriation | \$47,486,888,539 | \$17,112,658,827 | \$13,018,231,292 | \$2,882,771,469 | \$14,473,226,951 | 67,277.6 |
| Increase/-decrease | \$776,966,179 | \$171,044,647 | \$119,241,440 | (\$16,320,039) | \$503,000,131 | -0.2 |
| Percentage Change | 1.7% | 1.0% | 0.9% | -0.6% | 3.6% | 0.0% |

[1] Includes General Fund Exempt.

Table 2 summarizes the recommended changes to FY 2025-26 operating appropriations using the following categories:

- *Supplemental Appropriation Bill Changes:* These appropriation changes are reflected in the supplemental appropriation bills. Part II describes the changes for each affected department.
- *Supplemental Package Bill Changes:* These appropriation changes are included in JBC-sponsored bills that include statutory changes as well as supplemental appropriations. Part III describes these bills.

In addition to the changes to operating appropriations, H.B. 26-1173 increases FY 2025-26 appropriations for information technology capital projects by a total of \$20.2 million total funds, including \$7.4 million from the IT Capital Account of the Capital Construction Fund, for two projects.

General Fund Impact of Supplemental Bill Package

The existing FY 2025-26 operating budget, which excludes capital construction appropriations, provides General Fund appropriations totaling \$16.9 billion. Table 3 lists the mid-year General Fund appropriation changes that are included in 22 supplemental appropriation bills (H.B. 26-1150 through H.B. 26-1171). These bills increase General Fund appropriations for FY 2025-26 by \$175.4 million (1.0 percent). The Departments of Health Care Policy and Financing and Corrections are driving the increase.

Table 3: FY 2025-26 General Fund Operating Appropriations and Recommended Mid-year Changes

| Department | Current Appropriation | Recommended Changes | Requested Appropriation | Percentage Change |
|----------------------------------|-------------------------|----------------------|-------------------------|-------------------|
| Agriculture | \$20,564,403 | -\$174,814 | \$20,389,589 | -0.9% |
| Corrections | 1,086,028,946 | 29,044,881 | 1,115,073,827 | 2.7% |
| Early Childhood | 318,425,707 | -7,691,218 | 310,734,489 | -2.4% |
| Education | 4,669,994,198 | -278,179 | 4,669,716,019 | 0.0% |
| Governor | 53,113,284 | 214,643 | 53,327,927 | 0.4% |
| Health Care Policy and Financing | 5,554,316,022 | 134,254,626 | 5,688,570,648 | 2.4% |
| Higher Education | 1,684,348,869 | -11,458,375 | 1,672,890,494 | -0.7% |
| Human Services | 1,322,641,611 | 13,043,775 | 1,335,685,386 | 1.0% |
| Judicial | 878,946,616 | 12,837,476 | 891,784,092 | 1.5% |
| Labor and Employment | 35,040,149 | -337,129 | 34,703,020 | -1.0% |
| Law | 28,849,741 | -162,018 | 28,687,723 | -0.6% |
| Legislature (no bill) | 78,183,856 | 0 | 78,183,856 | 0.0% |
| Local Affairs | 61,995,634 | -240,851 | 61,754,783 | -0.4% |
| Military and Veterans Affairs | 18,015,198 | 131,750 | 18,146,948 | 0.7% |
| Natural Resources | 57,080,902 | -805,064 | 56,275,838 | -1.4% |
| Personnel | 35,163,407 | -206,375 | 34,957,032 | -0.6% |
| Public Health and Environment | 140,042,593 | 6,248,133 | 146,290,726 | 4.5% |
| Public Safety | 272,537,258 | 1,062,174 | 273,599,432 | 0.4% |
| Regulatory Agencies | 3,114,582 | 638,477 | 3,753,059 | 20.5% |
| Revenue | 154,935,981 | -617,295 | 154,318,686 | -0.4% |
| State | 4,254 | 0 | 4,254 | 0.0% |
| Transportation | 0 | 0 | 0 | n/a |
| Treasury | 468,270,969 | -69,051 | 468,201,918 | 0.0% |
| Total | \$16,941,614,180 | \$175,435,566 | \$17,117,049,746 | 1.0% |

The summary tables that follow this narrative section detail the recommended appropriation changes for each fiscal year by department, bill, and fund source.

Supplemental Bill Package and the Revenue Forecast

The General Assembly balanced the existing FY 2025-26 budget based on the March 2025 Office of State Planning and Budgeting (OSPB) economic and revenue forecast. The following tables show the General Fund budget for FY 2024-25 and FY 2025-26 in the context of the most recent (December 2025) OSPB forecast.

- For FY 2024-25, the tables reflect actual revenues and expenditures for the fiscal year, resulting in the amount of General Fund carried forward for FY 2025-26. According to the December 2025 OSPB forecast, the General Fund ended FY 2024-25 with a balance of \$2.4 billion, \$49.9 million above the 15.0 percent statutory reserve requirement.
- For FY 2025-26, the tables reflect revenues projected in the December 2025 revenue forecast, current law appropriations, transfers, and obligations through the August 2025 special session, and the changes included in the supplemental bill package.

Based solely on the December 2025 OSPB forecast and the changes included in the supplemental bill package, the General Fund reserve would be projected to end FY 2025-26 \$615.4 million below the current 15.0 percent statutory reserve requirement (Table 4). That figure does not include requested or recommended changes outside of the supplemental package, including any changes anticipated as part of the FY 2026-27 Long Bill package. For example, the Joint Budget Committee has approved a number of transfers from cash funds to the General Fund for FY 2025-26 that are not included in the supplemental package and has yet to take action on a number of balancing proposals for both FY 2025-26 and FY 2026-27. In addition, the Governor has proposed reducing the statutory General Fund reserve requirement from 15.0 percent to 13.0 percent for FY 2025-26 and FY 2026-27, which would reduce the FY 2025-26 reserve requirement by \$334.2 million. The General Assembly will balance both the FY 2025-26 and FY 2026-27 budgets based on one of the March 2026 revenue forecasts.

**Table 4: Status of the FY 2025-26 General Fund Reserve with the Supplemental Package
(December 2025 OSPB Forecast, \$ in millions)**

| Line | Item | FY 2024-25 | FY 2025-26 |
|------|--|------------|------------|
| 1 | Total General Fund Available (See Table 5) | \$20,854.7 | \$19,572.6 |
| 2 | Less: Total General Fund Obligations (See Table 6) | 18,446.2 | 18,222.8 |
| 3 | Year-end Reserve in General Fund | \$2,408.4 | \$1,349.7 |
| 4 | Plus: Year-end Reserve in PERA (SB 25-310) [1] | 0.0 | 500.0 |
| 5 | Total Year-end Reserve | \$2,408.4 | \$1,849.7 |
| 6 | Statutorily Required Reserve Percent | 15.0% | 15.0% |
| 7 | Required Reserve Amount [2] | \$2,358.5 | \$2,465.1 |
| 8 | Year-end Reserve Above/-Below Requirement | 49.9 | -615.4 |

[1] Senate Bill 25-310 (Proposition 130 Implementation) creates a General Fund warrant of \$500.0 million to the Public Employees' Retirement Association (PERA) and specifies that the \$500.0 million held by PERA remains part of the statutory General Fund reserve.

[2] Current law requires a 15.0 percent reserve. However, H.B. 24-1231 (State Funding for Higher Education Projects) reduces the annual reserve requirement by \$41.3 million beginning in FY 2023-24 and H.B. 24-1466 (Refinance Federal Coronavirus Recovery Funds) increases the reserve requirement by \$56.5 million for FY 2024-25 only.

Available General Fund Revenue

Table 5 shows the total General Fund available for FY 2024-25 and FY 2025-26 under the December OSPB Forecast. As shown in the table, the December forecast projects a total of \$19.6 billion General Fund will be available in FY 2025-26. That represents a decrease of \$1.3 billion from the amount available in FY 2024-25. The table does not include proposals which could increase the General Fund available in FY 2025-26 that may be included with the FY 2026-27 Long Bill package.

**Table 5: General Fund Available for FY 2024-25 and FY 2025-26
(December 2026 OSPB Forecast, \$ in millions)**

| Line | Item | FY 2024-25 | FY 2025-26 |
|------|---|------------|------------|
| 1 | Beginning Reserve Held in the General Fund | \$3,153.5 | \$2,408.4 |
| 2 | Gross General Fund Revenue (December OSPB Forecast) | 17,181.3 | 16,954.0 |
| 3 | Transfers from Other Funds (December OSPB Forecast) | 519.9 | 210.2 |
| 4 | Total General Fund Available | \$20,854.7 | \$19,572.6 |

General Fund Obligations (Appropriations, Transfers, and TABOR Refunds)

Table 6 summarizes projected General Fund obligations for FY 2024-25 and for FY 2025-26 *as adjusted by the supplemental package*.

**Table 6: General Fund Obligations Including FY 2025-26 Supplemental Package
(December OSPB Forecast, \$ in millions)**

| Line | Item | FY 2024-25 | FY 2025-26 |
|------|---|------------|------------|
| 1 | Current General Fund Appropriations | \$15,861.8 | \$16,941.6 |
| 2 | Supplemental Bills (HB26-1150 through 1173)[1] | 0.0 | 175.4 |
| 3 | Supplemental Package Bills (HB26-1174 through 1178) | 0.0 | -4.4 |
| 4 | Less: Appropriations for Rebates and Expenditures (Forecast) | -240.0 | -403.7 |
| 5 | Total General Fund Appropriations Subject to Reserve | \$15,621.8 | \$16,709.0 |
| 6 | Overexpenditures from the General Fund | 68.6 | 0.0 |
| 7 | Rebates and Expenditures (Forecast) | 187.4 | 838.1 |
| 8 | Transfers to Transportation Funds (Forecast) | 117.5 | 42.7 |
| 9 | Transfers for Capital Construction and IT Capital (current law) | 254.1 | 175.9 |
| 10 | Additional transfer for information technology capital (H.B. 26-1179) | 0.0 | 3.6 |
| 11 | Transfers to Other Funds (Forecast) | 2,030.1 | 453.5 |
| 12 | TABOR Refund Obligation [Article X, Section 20 (7)(d)] (Forecast) | 293.3 | 0.0 |
| 13 | Reversions and Accounting Adjustments | -126.6 | 0.0 |
| 14 | Total Expenditures/Obligations | \$18,446.2 | \$18,222.8 |

[1] The supplemental bill changes related to FY 2024-25 are accounted for in the General Fund overexpenditures in line 6 and the reversions and accounting adjustments in line 13 to align with the December revenue forecast. They are not reflected in line 2.

On March 19, 2026, both the Office of State Planning and Budgeting and Legislative Council Staff will present one more revenue forecast before the General Assembly takes final action on the FY 2025-26 budget and adopts the FY 2026-27 budget.

FY 2025-26 Supplemental Bill Package

Operating Appropriation Summary Table

| Department/Item | Total Funds | General Fund [1] | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|---|-------------------------|-------------------------|-------------------------|------------------------|-------------------------|-----------------|
| Current FY 2024-25 Appropriation | \$44,937,098,202 | \$15,861,773,126 | \$13,096,074,519 | \$2,836,373,303 | \$13,142,877,254 | 66,396.0 |
| Summary of supplemental bills | 127,180,530 | 82,645,753 | 24,488,261 | 15,703,784 | 4,342,732 | 0.0 |
| Total Recommended Changes | \$127,180,530 | \$82,645,753 | \$24,488,261 | \$15,703,784 | \$4,342,732 | 0.0 |
| Percentage Change | 0.3% | 0.5% | 0.2% | 0.6% | 0.0% | 0.0% |
| Recommended FY 2024-25 Appropriation | \$45,064,278,732 | \$15,944,418,879 | \$13,120,562,780 | \$2,852,077,087 | \$13,147,219,986 | 66,396.0 |
| | | | | | | |
| Current FY 2025-26 Appropriation | \$46,709,922,360 | \$16,941,614,180 | \$12,898,989,852 | \$2,899,091,508 | \$13,970,226,820 | 67,277.8 |
| Summary of supplemental bills | 889,189,567 | 175,435,566 | 222,713,948 | -16,320,039 | 507,360,092 | 0.1 |
| Summary of supplemental package bills | -112,223,388 | -4,390,919 | -103,472,508 | 0 | -4,359,961 | -0.3 |
| Total Recommended Changes | \$776,966,179 | \$171,044,647 | \$119,241,440 | -\$16,320,039 | \$503,000,131 | -0.2 |
| Percentage Change | 1.7% | 1.0% | 0.9% | -0.6% | 3.6% | 0.0% |
| Recommended FY 2025-26 Appropriation | \$47,486,888,539 | \$17,112,658,827 | \$13,018,231,292 | \$2,882,771,469 | \$14,473,226,951 | 67,277.6 |

[1] Please note: General Fund amounts include dollars considered "General Fund Exempt."

FY 2024-25 Operating Appropriation Detail by Department

| Department/Item | Total Funds | General Fund [1] | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|--------------------------------------|-----------------|------------------|---------------|-----------------|---------------|---------|
| Corrections | | | | | | |
| Current FY 2024-25 Appropriation | \$1,173,002,813 | \$750,267,875 | \$374,416,228 | \$45,071,575 | \$3,247,135 | 6,400.7 |
| HB 26-1151 (FY 2025-26 Supplemental) | 8,650,986 | 8,650,986 | 0 | 0 | 0 | 0.0 |

| Department/Item | Total Funds | General Fund [1] | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|--|-------------------------|------------------------|------------------------|------------------------|------------------------|-----------------|
| Subtotal - Corrections | \$1,181,653,799 | \$758,918,861 | \$374,416,228 | \$45,071,575 | \$3,247,135 | 6,400.7 |
| Total Change | 8,650,986 | 8,650,986 | 0 | 0 | 0 | 0.0 |
| Percentage Change | 0.7% | 1.2% | 0.0% | 0.0% | 0.0% | 0.0% |
| Health Care Policy and Financing | | | | | | |
| Current FY 2024-25 Appropriation | \$16,905,170,469 | \$5,183,938,664 | \$1,948,296,054 | \$137,592,164 | \$9,635,343,587 | 840.9 |
| HB 26-1155 (FY 2025-26 Supplemental) | 110,840,817 | 68,588,825 | 25,203,797 | 15,350,756 | 1,697,439 | 0.0 |
| Subtotal - Health Care Policy and Financing | \$17,016,011,286 | \$5,252,527,489 | \$1,973,499,851 | \$152,942,920 | \$9,637,041,026 | 840.9 |
| Total Change | 110,840,817 | 68,588,825 | 25,203,797 | 15,350,756 | 1,697,439 | 0.0 |
| Percentage Change | 0.7% | 1.3% | 1.3% | 11.2% | 0.0% | 0.0% |
| Higher Education | | | | | | |
| Current FY 2024-25 Appropriation | \$6,346,085,130 | \$1,694,274,869 | \$3,306,368,493 | \$1,318,434,348 | \$27,007,420 | 27,547.5 |
| HB 26-1156 (FY 2025-26 Supplemental) | 1,037,150 | 1,037,150 | 0 | 0 | 0 | 0.0 |
| Subtotal - Higher Education | \$6,347,122,280 | \$1,695,312,019 | \$3,306,368,493 | \$1,318,434,348 | \$27,007,420 | 27,547.5 |
| Total Change | 1,037,150 | 1,037,150 | 0 | 0 | 0 | 0.0 |
| Percentage Change | 0.0% | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% |
| Human Services | | | | | | |
| Current FY 2024-25 Appropriation | \$2,605,739,892 | \$1,310,428,887 | \$451,814,362 | \$229,182,276 | \$614,314,367 | 5,425.9 |
| HB 26-1157 (FY 2025-26 Supplemental) | 5,387,168 | 3,457,411 | -715,536 | 0 | 2,645,293 | 0.0 |
| Subtotal - Human Services | \$2,611,127,060 | \$1,313,886,298 | \$451,098,826 | \$229,182,276 | \$616,959,660 | 5,425.9 |
| Total Change | 5,387,168 | 3,457,411 | -715,536 | 0 | 2,645,293 | 0.0 |
| Percentage Change | 0.2% | 0.3% | -0.2% | 0.0% | 0.4% | 0.0% |
| Judicial | | | | | | |
| Current FY 2024-25 Appropriation | \$1,110,227,644 | \$642,305,874 | \$397,757,895 | \$65,738,875 | \$4,425,000 | 5,630.9 |
| HB 26-1158 (FY 2025-26 Supplemental) | 895,000 | 895,000 | 0 | 0 | 0 | 0.0 |
| Subtotal - Judicial | \$1,111,122,644 | \$643,200,874 | \$397,757,895 | \$65,738,875 | \$4,425,000 | 5,630.9 |
| Total Change | 895,000 | 895,000 | 0 | 0 | 0 | 0.0 |
| Percentage Change | 0.1% | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% |
| Personnel | | | | | | |
| Current FY 2024-25 Appropriation | \$285,346,531 | \$40,047,001 | \$24,388,762 | \$220,910,768 | \$0 | 518.3 |
| HB 26-1164 (FY 2025-26 Supplemental) | 353,028 | 0 | 0 | 353,028 | 0 | 0.0 |
| Subtotal - Personnel | \$285,699,559 | \$40,047,001 | \$24,388,762 | \$221,263,796 | \$0 | 518.3 |

| Department/Item | Total Funds | General Fund [1] | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|--|-------------------------|-------------------------|-------------------------|------------------------|-------------------------|-----------------|
| Total Change | 353,028 | 0 | 0 | 353,028 | 0 | 0.0 |
| Percentage Change | 0.1% | 0.0% | 0.0% | 0.2% | n/a | 0.0% |
| Treasury | | | | | | |
| Current FY 2024-25 Appropriation | \$952,168,137 | \$466,347,038 | \$404,002,146 | \$81,818,953 | \$0 | 62.0 |
| HB 26-1171 (FY 2025-26 Supplemental) | 16,381 | 16,381 | 0 | 0 | 0 | 0.0 |
| Subtotal - Treasury | \$952,184,518 | \$466,363,419 | \$404,002,146 | \$81,818,953 | \$0 | 62.0 |
| Total Change | 16,381 | 16,381 | 0 | 0 | 0 | 0.0 |
| Percentage Change | 0.0% | 0.0% | 0.0% | 0.0% | n/a | 0.0% |
| Total Statewide Supplemental Adjustment | | | | | | |
| Current FY 2024-25 Appropriation | \$44,937,098,202 | \$15,861,773,126 | \$13,096,074,519 | \$2,836,373,303 | \$13,142,877,254 | 66,396.0 |
| Total recommended changes | 127,180,530 | 82,645,753 | 24,488,261 | 15,703,784 | 4,342,732 | 0.0 |
| Recommended FY 2024-25 Appropriation | \$45,064,278,732 | \$15,944,418,879 | \$13,120,562,780 | \$2,852,077,087 | \$13,147,219,986 | 66,396.0 |
| Percentage Change | 0.3% | 0.5% | 0.2% | 0.6% | 0.0% | 0.0% |
| Summary of Changes | | | | | | |
| Supplemental Bills | \$127,180,530 | \$82,645,753 | \$24,488,261 | \$15,703,784 | \$4,342,732 | 0.0 |

[1] Please note: General Fund amounts include dollars considered "General Fund Exempt."

FY 2025-26 Operating Appropriation Detail by Department

| Department/Item | Total Funds | General Fund [1] | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|--------------------------------------|------------------------|------------------------|---------------------|---------------------|--------------------|----------------|
| Agriculture | | | | | | |
| Current FY 2025-26 Appropriation | \$78,293,462 | \$20,564,403 | \$49,943,501 | \$3,066,248 | \$4,719,310 | 332.1 |
| HB 26-1150 (FY 2025-26 Supplemental) | -90,802 | -174,814 | 71,603 | 0 | 12,409 | 0.8 |
| Subtotal - Agriculture | \$78,202,660 | \$20,389,589 | \$50,015,104 | \$3,066,248 | \$4,731,719 | 332.9 |
| Total Change | -90,802 | -174,814 | 71,603 | 0 | 12,409 | 0.8 |
| Percentage Change | -0.1% | -0.9% | 0.1% | 0.0% | 0.3% | 0.2% |
| Corrections | | | | | | |
| Current FY 2025-26 Appropriation | \$1,190,256,447 | \$1,086,028,946 | \$51,416,903 | \$49,469,595 | \$3,341,003 | 6,391.0 |
| HB 26-1151 (FY 2025-26 Supplemental) | 13,146,647 | 29,044,881 | -3,758,488 | -12,139,746 | 0 | 15.4 |
| Subtotal - Corrections | \$1,203,403,094 | \$1,115,073,827 | \$47,658,415 | \$37,329,849 | \$3,341,003 | 6,406.4 |

| Department/Item | Total Funds | General Fund [1] | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|---|-------------------------|------------------------|------------------------|----------------------|-------------------------|----------------|
| Total Change | 13,146,647 | 29,044,881 | -3,758,488 | -12,139,746 | 0 | 15.4 |
| Percentage Change | 1.1% | 2.7% | -7.3% | -24.5% | 0.0% | 0.2% |
| Early Childhood | | | | | | |
| Current FY 2025-26 Appropriation | \$802,741,580 | \$318,425,707 | \$279,083,896 | \$16,607,388 | \$188,624,589 | 243.1 |
| HB 26-1152 (FY 2025-26 Supplemental) | 1,683,354 | -7,691,218 | 9,951,963 | -32,431 | -544,960 | 0.0 |
| Subtotal - Early Childhood | \$804,424,934 | \$310,734,489 | \$289,035,859 | \$16,574,957 | \$188,079,629 | 243.1 |
| Total Change | 1,683,354 | -7,691,218 | 9,951,963 | -32,431 | -544,960 | 0.0 |
| Percentage Change | 0.2% | -2.4% | 3.6% | -0.2% | -0.3% | 0.0% |
| Education | | | | | | |
| Current FY 2025-26 Appropriation | \$7,689,403,789 | \$4,669,994,198 | \$2,114,235,075 | \$55,914,660 | \$849,259,856 | 751.4 |
| HB 26-1153 (FY 2025-26 Supplemental) | 28,406,091 | -278,179 | 28,567,449 | 22,270 | 94,551 | 0.0 |
| HB 26-1175 (State Ed Fund READ Act & CO Teacher of Yr Prog) | 0 | 0 | 0 | 0 | 0 | 0.0 |
| HB 26-1176 (Modify Fourth-Year Innovation Pilot Program) | 0 | 0 | 0 | 0 | 0 | 0.0 |
| HB 26-1174 (School Finance Mid-Year Adjustments) | -103,472,508 | 0 | -103,472,508 | 0 | 0 | 0.0 |
| Subtotal - Education | \$7,614,337,372 | \$4,669,716,019 | \$2,039,330,016 | \$55,936,930 | \$849,354,407 | 751.4 |
| Total Change | -75,066,417 | -278,179 | -74,905,059 | 22,270 | 94,551 | 0.0 |
| Percentage Change | -1.0% | 0.0% | -3.5% | 0.0% | 0.0% | 0.0% |
| Governor | | | | | | |
| Current FY 2025-26 Appropriation | \$552,931,124 | \$53,113,284 | \$105,603,846 | \$385,358,780 | \$8,855,214 | 1,272.3 |
| HB 26-1154 (FY 2025-26 Supplemental) | -13,755,233 | 214,643 | 64,688 | -14,075,444 | 40,880 | 0.0 |
| Subtotal - Governor | \$539,175,891 | \$53,327,927 | \$105,668,534 | \$371,283,336 | \$8,896,094 | 1,272.3 |
| Total Change | -13,755,233 | 214,643 | 64,688 | -14,075,444 | 40,880 | 0.0 |
| Percentage Change | -2.5% | 0.4% | 0.1% | -3.7% | 0.5% | 0.0% |
| Health Care Policy and Financing | | | | | | |
| Current FY 2025-26 Appropriation | \$18,217,290,946 | \$5,554,316,022 | \$2,030,279,577 | \$144,020,883 | \$10,488,674,464 | 843.2 |
| HB 26-1155 (FY 2025-26 Supplemental) | 835,592,424 | 134,254,626 | 186,025,058 | 16,555,484 | 498,757,256 | 4.6 |
| HB 26-1177 (End Nursing Provider Wage Enhancement Payments) | -8,719,922 | -4,359,961 | 0 | 0 | -4,359,961 | 0.0 |
| Subtotal - Health Care Policy & Financing | \$19,044,163,448 | \$5,684,210,687 | \$2,216,304,635 | \$160,576,367 | \$10,983,071,759 | 847.8 |
| Total Change | 826,872,502 | 129,894,665 | 186,025,058 | 16,555,484 | 494,397,295 | 4.6 |
| Percentage Change | 4.5% | 2.3% | 9.2% | 11.5% | 4.7% | 0.5% |
| Higher Education | | | | | | |

| Department/Item | Total Funds | General Fund [1] | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|--|------------------------|------------------------|------------------------|------------------------|----------------------|-----------------|
| Current FY 2025-26 Appropriation | \$6,424,880,933 | \$1,684,348,869 | \$3,427,837,406 | \$1,285,949,360 | \$26,745,298 | 28,034.9 |
| HB 26-1156 (FY 2025-26 Supplemental) | -22,448,244 | -11,458,375 | 671,829 | -11,669,307 | 7,609 | 0.0 |
| HB 26-1176 (Modify Fourth-Year Innovation Pilot Program) | -30,958 | -30,958 | 0 | 0 | 0 | -0.3 |
| Subtotal - Higher Education | \$6,402,401,731 | \$1,672,859,536 | \$3,428,509,235 | \$1,274,280,053 | \$26,752,907 | 28,034.6 |
| Total Change | -22,479,202 | -11,489,333 | 671,829 | -11,669,307 | 7,609 | -0.3 |
| Percentage Change | -0.4% | -0.7% | 0.0% | -0.9% | 0.0% | 0.0% |
| Human Services | | | | | | |
| Current FY 2025-26 Appropriation | \$2,672,891,460 | \$1,322,641,611 | \$462,972,989 | \$231,164,954 | \$656,111,906 | 5,567.5 |
| HB 26-1157 (FY 2025-26 Supplemental) | 27,042,051 | 13,043,775 | 731,159 | 4,192,821 | 9,074,296 | -31.2 |
| Subtotal - Human Services | \$2,699,933,511 | \$1,335,685,386 | \$463,704,148 | \$235,357,775 | \$665,186,202 | 5,536.3 |
| Total Change | 27,042,051 | 13,043,775 | 731,159 | 4,192,821 | 9,074,296 | -31.2 |
| Percentage Change | 1.0% | 1.0% | 0.2% | 1.8% | 1.4% | -0.6% |
| Judicial | | | | | | |
| Current FY 2025-26 Appropriation | \$1,151,752,648 | \$878,946,616 | \$203,914,808 | \$64,466,224 | \$4,425,000 | 5,724.8 |
| HB 26-1158 (FY 2025-26 Supplemental) | 14,877,563 | 12,837,476 | 1,382,882 | 657,205 | 0 | 0.3 |
| Subtotal - Judicial | \$1,166,630,211 | \$891,784,092 | \$205,297,690 | \$65,123,429 | \$4,425,000 | 5,725.1 |
| Total Change | 14,877,563 | 12,837,476 | 1,382,882 | 657,205 | 0 | 0.3 |
| Percentage Change | 1.3% | 1.5% | 0.7% | 1.0% | 0.0% | 0.0% |
| Labor and Employment | | | | | | |
| Current FY 2025-26 Appropriation | \$496,020,269 | \$35,040,149 | \$219,791,373 | \$24,137,360 | \$217,051,387 | 1,753.6 |
| HB 26-1159 (FY 2025-26 Supplemental) | -244,409 | -337,129 | 93,266 | -2,752 | 2,206 | 0.0 |
| Subtotal - Labor and Employment | \$495,775,860 | \$34,703,020 | \$219,884,639 | \$24,134,608 | \$217,053,593 | 1,753.6 |
| Total Change | -244,409 | -337,129 | 93,266 | -2,752 | 2,206 | 0.0 |
| Percentage Change | -0.1% | -1.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Law | | | | | | |
| Current FY 2025-26 Appropriation | \$152,427,568 | \$28,849,741 | \$25,514,253 | \$94,128,583 | \$3,934,991 | 666.8 |
| HB 26-1160 (FY 2025-26 Supplemental) | -524,599 | -162,018 | -56,660 | -300,764 | -5,157 | 0.0 |
| Subtotal - Law | \$151,902,969 | \$28,687,723 | \$25,457,593 | \$93,827,819 | \$3,929,834 | 666.8 |
| Total Change | -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% |
| Legislative | | | | | | |

| Department/Item | Total Funds | General Fund [1] | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|---|----------------------|---------------------|----------------------|----------------------|----------------------|----------------|
| Current FY 2025-26 Appropriation | \$80,132,083 | \$78,183,856 | \$5,000 | \$1,943,227 | \$0 | 449.2 |
| None | 0 | 0 | 0 | 0 | 0 | 0.0 |
| Subtotal - Legislative | \$80,132,083 | \$78,183,856 | \$5,000 | \$1,943,227 | \$0 | 449.2 |
| Total Change | 0 | 0 | 0 | 0 | 0 | 0.0 |
| Percentage Change | 0.0% | 0.0% | 0.0% | 0.0% | n/a | 0.0% |
| Local Affairs | | | | | | |
| Current FY 2025-26 Appropriation | \$568,650,554 | \$61,995,634 | \$348,032,648 | \$33,678,437 | \$124,943,835 | 254.3 |
| HB 26-1161 (FY 2025-26 Supplemental) | -611,006 | -240,851 | -244,415 | -63,899 | -61,841 | 0.0 |
| Subtotal - Local Affairs | \$568,039,548 | \$61,754,783 | \$347,788,233 | \$33,614,538 | \$124,881,994 | 254.3 |
| Total Change | -611,006 | -240,851 | -244,415 | -63,899 | -61,841 | 0.0 |
| Percentage Change | -0.1% | -0.4% | -0.1% | -0.2% | -0.1% | 0.0% |
| Military and Veterans Affairs | | | | | | |
| Current FY 2025-26 Appropriation | \$154,888,789 | \$18,015,198 | \$2,573,123 | \$26,042 | \$134,274,426 | 2,337.9 |
| HB 26-1162 (FY 2025-26 Supplemental) | -20,587 | 131,750 | 1,436 | 0 | -153,773 | 0.0 |
| Subtotal - Military Affairs & Veterans Affairs | \$154,868,202 | \$18,146,948 | \$2,574,559 | \$26,042 | \$134,120,653 | 2,337.9 |
| Total Change | -20,587 | 131,750 | 1,436 | 0 | -153,773 | 0.0 |
| Percentage Change | 0.0% | 0.7% | 0.1% | 0.0% | -0.1% | 0.0% |
| Natural Resources | | | | | | |
| Current FY 2025-26 Appropriation | \$535,714,075 | \$57,080,902 | \$426,415,580 | \$9,587,533 | \$42,630,060 | 1,807.4 |
| HB 26-1163 (FY 2025-26 Supplemental) | -3,502,084 | -805,064 | -2,622,459 | -27,889 | -46,672 | 0.0 |
| Subtotal - Natural Resources | \$532,211,991 | \$56,275,838 | \$423,793,121 | \$9,559,644 | \$42,583,388 | 1,807.4 |
| Total Change | -3,502,084 | -805,064 | -2,622,459 | -27,889 | -46,672 | 0.0 |
| Percentage Change | -0.7% | -1.4% | -0.6% | -0.3% | -0.1% | 0.0% |
| Personnel | | | | | | |
| Current FY 2025-26 Appropriation | \$302,610,382 | \$35,163,407 | \$27,286,866 | \$240,160,109 | \$0 | 495.9 |
| HB 26-1164 (FY 2025-26 Supplemental) | -490,721 | -206,375 | -96,265 | -188,081 | 0 | 4.6 |
| Subtotal - Personnel | \$302,119,661 | \$34,957,032 | \$27,190,601 | \$239,972,028 | \$0 | 500.5 |
| Total Change | -490,721 | -206,375 | -96,265 | -188,081 | 0 | 4.6 |
| Percentage Change | -0.2% | -0.6% | -0.4% | -0.1% | n/a | 0.9% |
| Public Health and Environment | | | | | | |
| Current FY 2025-26 Appropriation | \$868,769,339 | \$140,042,593 | \$340,847,834 | \$63,464,208 | \$324,414,704 | 1,853.6 |

| Department/Item | Total Funds | General Fund [1] | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|---|----------------------|----------------------|----------------------|---------------------|----------------------|----------------|
| HB 26-1165 (FY 2025-26 Supplemental) | 8,081,487 | 6,248,133 | 1,421,147 | 53,884 | 358,323 | 4.0 |
| Subtotal - Public Health & Environment | \$876,850,826 | \$146,290,726 | \$342,268,981 | \$63,518,092 | \$324,773,027 | 1,857.6 |
| Total Change | 8,081,487 | 6,248,133 | 1,421,147 | 53,884 | 358,323 | 4.0 |
| Percentage Change | 0.9% | 4.5% | 0.4% | 0.1% | 0.1% | 0.2% |
| Public Safety | | | | | | |
| Current FY 2025-26 Appropriation | \$788,416,482 | \$272,537,258 | \$354,593,506 | \$91,154,818 | \$70,130,900 | 2,384.0 |
| HB 26-1166 (FY 2025-26 Supplemental) | 2,140,754 | 1,062,174 | 587,495 | 671,426 | -180,341 | 1.3 |
| Subtotal - Public Safety | \$790,557,236 | \$273,599,432 | \$355,181,001 | \$91,826,244 | \$69,950,559 | 2,385.3 |
| Total Change | 2,140,754 | 1,062,174 | 587,495 | 671,426 | -180,341 | 1.3 |
| Percentage Change | 0.3% | 0.4% | 0.2% | 0.7% | -0.3% | 0.1% |
| Regulatory Agencies | | | | | | |
| Current FY 2025-26 Appropriation | \$138,645,306 | \$3,114,582 | \$125,851,651 | \$7,623,434 | \$2,055,639 | 728.6 |
| HB 26-1167 (FY 2025-26 Supplemental) | 418,098 | 638,477 | -249,889 | 24,204 | 5,306 | 0.0 |
| Subtotal - Regulatory Agencies | \$139,063,404 | \$3,753,059 | \$125,601,762 | \$7,647,638 | \$2,060,945 | 728.6 |
| Total Change | 418,098 | 638,477 | -249,889 | 24,204 | 5,306 | 0.0 |
| Percentage Change | 0.3% | 20.5% | -0.2% | 0.3% | 0.3% | 0.0% |
| Revenue | | | | | | |
| Current FY 2025-26 Appropriation | \$557,306,085 | \$154,935,981 | \$392,072,761 | \$9,445,211 | \$852,132 | 1,819.3 |
| HB 26-1168 (FY 2025-26 Supplemental) | -540,967 | -617,295 | 73,348 | 2,980 | 0 | 0.0 |
| Subtotal - Revenue | \$556,765,118 | \$154,318,686 | \$392,146,109 | \$9,448,191 | \$852,132 | 1,819.3 |
| Total Change | -540,967 | -617,295 | 73,348 | 2,980 | 0 | 0.0 |
| Percentage Change | -0.1% | -0.4% | 0.0% | 0.0% | 0.0% | 0.0% |
| State | | | | | | |
| Current FY 2025-26 Appropriation | \$48,963,071 | \$4,254 | \$48,958,817 | \$0 | \$0 | 174.4 |
| HB 26-1169 (FY 2025-26 Supplemental) | 3,001 | 0 | 3,001 | 0 | 0 | 0.4 |
| Subtotal - State | \$48,966,072 | \$4,254 | \$48,961,818 | \$0 | \$0 | 174.8 |
| Total Change | 3,001 | 0 | 3,001 | 0 | 0 | 0.4 |
| Percentage Change | 0.0% | 0.0% | 0.0% | n/a | n/a | 0.2% |
| Transportation | | | | | | |
| Current FY 2025-26 Appropriation | \$2,273,396,013 | \$0 | \$1,449,032,151 | \$5,181,756 | \$819,182,106 | 3,328.5 |
| HB 26-1170 (FY 2025-26 Supplemental) | 0 | 0 | 0 | 0 | 0 | 0.0 |

| Department/Item | Total Funds | General Fund [1] | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|---|-------------------------|-------------------------|-------------------------|------------------------|-------------------------|-----------------|
| Subtotal - Transportation | \$2,273,396,013 | \$0 | \$1,449,032,151 | \$5,181,756 | \$819,182,106 | 3,328.5 |
| Total Change | 0 | 0 | 0 | 0 | 0 | 0.0 |
| Percentage Change | 0.0% | n/a | 0.0% | 0.0% | 0.0% | 0.0% |
| Treasury | | | | | | |
| Current FY 2025-26 Appropriation | \$963,539,955 | \$468,270,969 | \$412,726,288 | \$82,542,698 | \$0 | 64.0 |
| HB 26-1171 (FY 2025-26 Supplemental) | 26,749 | -69,051 | 95,800 | 0 | 0 | 0.0 |
| Subtotal - Treasury | \$963,566,704 | \$468,201,918 | \$412,822,088 | \$82,542,698 | \$0 | 64.0 |
| Total Change | 26,749 | -69,051 | 95,800 | 0 | 0 | 0.0 |
| Percentage Change | 0.0% | 0.0% | 0.0% | 0.0% | n/a | 0.0% |
| Total Statewide Supplemental Adjustment | | | | | | |
| Current FY 2025-26 Appropriation | \$46,709,922,360 | \$16,941,614,180 | \$12,898,989,852 | \$2,899,091,508 | \$13,970,226,820 | 67,277.8 |
| Total recommended changes | 776,966,179 | 171,044,647 | 119,241,440 | -16,320,039 | 503,000,131 | -0.2 |
| Recommended FY 2025-26 Appropriation | \$47,486,888,539 | \$17,112,658,827 | \$13,018,231,292 | \$2,882,771,469 | \$14,473,226,951 | 67,277.6 |
| Percentage Change | 1.7% | 1.0% | 0.9% | -0.6% | 3.6% | 0.0% |
| Summary of Changes | | | | | | |
| Supplemental Bills | \$889,189,567 | \$175,435,566 | \$222,713,948 | -\$16,320,039 | \$507,360,092 | 0.1 |
| Supplemental Package Bills | -\$112,223,388 | -\$4,390,919 | -\$103,472,508 | \$0 | -\$4,359,961 | -0.3 |
| HB 26-1175 (State Ed Fund READ Act & CO Teacher of Yr Prog) | 0 | 0 | 0 | 0 | 0 | 0.0 |
| HB 26-1178 (Expenditures in Excess of Appropriations) | 0 | 0 | 0 | 0 | 0 | 0.0 |
| HB 26-1174 (School Finance Mid-Year Adjustment) | -103,472,508 | 0 | -103,472,508 | 0 | 0 | 0.0 |
| HB 26-1177 (End Nursing Provider Wage Enhancement Payments) | -8,719,922 | -4,359,961 | 0 | 0 | -4,359,961 | 0.0 |
| HB 26-1176 (Modify Fourth-Year Innovation Pilot Program) | -30,958 | -30,958 | 0 | 0 | 0 | -0.3 |

[1] Please note: General Fund amounts include dollars considered "General Fund Exempt."

Capital Construction Appropriation Detail

| Division/Line Item | Total Funds | Capital Construction Funds | Cash Funds | Reapprop. Funds | Federal Funds |
|---|---------------|----------------------------|---------------|-----------------|---------------|
| FY 2022-23 Appropriation Changes | | | | | |
| Capital Construction | | | | | |
| Current FY 2022-23 Appropriation | \$584,991,298 | \$13,663,407 | \$569,562,561 | \$0 | \$1,765,330 |

| Division/Line Item | Total Funds | Capital Construction Funds | Cash Funds | Reapprop. Funds | Federal Funds |
|---|----------------------|----------------------------|----------------------|-----------------|--------------------|
| HB 26-1172 (FY 2025-26 Supplemental) | 7,500,000 | 0 | 7,500,000 | 0 | 0 |
| Recommended FY 2022-23 Appropriation | \$592,491,298 | \$13,663,407 | \$577,062,561 | \$0 | \$1,765,330 |
| Total Change | 7,500,000 | 0 | 7,500,000 | 0 | 0 |
| Percentage Change | 1.3% | 0.0% | 1.3% | n/a | 0.0% |

FY 2024-25 Appropriation Changes

| | | | | | |
|---|----------------------|----------------------|----------------------|--------------------|--------------------|
| Capital Construction | | | | | |
| Current FY 2024-25 Appropriation | \$621,194,648 | \$264,946,190 | \$352,740,868 | \$1,600,000 | \$1,907,590 |
| HB 26-1172 (FY 2025-26 Supplemental) | 1,000,000 | 0 | 1,000,000 | 0 | 0 |
| Recommended FY 2024-25 Appropriation | \$622,194,648 | \$264,946,190 | \$353,740,868 | \$1,600,000 | \$1,907,590 |
| Total Change | 1,000,000 | 0 | 1,000,000 | 0 | 0 |
| Percentage Change | 0.2% | 0.0% | 0.3% | 0.0% | 0.0% |

IT Capital Construction Appropriation Detail

| Division/Line Item | Total Funds | Capital Construction Fund | Cash Funds | Reapprop. Funds | Federal Funds |
|--------------------|-------------|---------------------------|------------|-----------------|---------------|
|--------------------|-------------|---------------------------|------------|-----------------|---------------|

FY 2024-25 Appropriation Changes

| | | | | | |
|---|----------------------|---------------------|---------------------|------------------|---------------------|
| IT Capital Construction | | | | | |
| Current FY 2024-25 Appropriation | \$159,650,320 | \$86,836,669 | \$14,255,934 | \$276,088 | \$58,281,629 |
| HB 26-1173 (FY 2025-26 Supplemental) | 0 | 0 | 0 | 0 | 0 |
| Recommended FY 2024-25 Appropriation | \$159,650,320 | \$86,836,669 | \$14,255,934 | \$276,088 | \$58,281,629 |
| Total Change | 0 | 0 | 0 | 0 | 0 |
| Percentage Change | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

FY 2025-26 Appropriation Changes

| | | | | | |
|--|---------------------|---------------------|---------------------|--------------------|---------------------|
| IT Capital Construction | | | | | |
| Current FY 2025-26 Appropriation | \$73,891,227 | \$34,541,285 | \$21,954,666 | \$3,634,037 | \$13,761,239 |
| HB 26-1173 (FY 2025-26 Supplemental) | 20,197,080 | 7,363,145 | 735,000 | 0 | 12,098,935 |
| HB 26-1179 (General Fund Transfer to IT Capital Account) | 0 | 0 | 0 | 0 | 0 |
| Recommended FY 2025-26 Appropriation | \$94,088,307 | \$41,904,430 | \$22,689,666 | \$3,634,037 | \$25,860,174 |
| Total Change | 20,197,080 | 7,363,145 | 735,000 | 0 | 12,098,935 |
| Percentage Change | 27.3% | 21.3% | 3.4% | 0.0% | 87.9% |

Departments Only Impacted by Decisions in Other Agencies

The following Departments only had budget changes driven by other agencies:

- Local Affairs – H.B. 26-1161
- Military and Veterans Affairs – H.B. 26-1162
- Transportation – H.B. 26-1170

The following subsections show the impact of those budget actions on these three departments.

OIT Real-time Billing Adjustments

The following table shows supplemental adjustments to real-time billing for the Office of Information Technology (OIT), reflecting changes in department utilization of OIT services, located in the Office of the Governor.

OIT Real-time Billing Adjustments

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|-------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Local Affairs | -\$504,652 | -\$155,563 | -\$182,027 | -\$101,042 | -\$66,020 | 0.0 |
| Military and Veterans Affairs | -2,741 | -2,741 | 0 | 0 | 0 | 0.0 |
| Transportation | -2,741,494 | 0 | -2,741,494 | 0 | 0 | 0.0 |

Fleet Vehicle Adjustments

The following table shows supplemental adjustments to fleet vehicle appropriations, reflecting changes in department utilization of fleet vehicle services from the Department of Personnel.

Fleet Vehicle Adjustments

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|-------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Local Affairs | -\$31,090 | -\$13,765 | -\$13,180 | -\$4,145 | \$0 | 0.0 |
| Military and Veterans Affairs | -27,359 | -12,969 | 0 | 0 | -14,390 | 0.0 |

Health, Life, and Dental Adjustments

The following table shows supplemental adjustments to health, life, and dental, reflecting changes in compensation policies.

Health, Life, and Dental Adjustments

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|-------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Local Affairs | -\$75,264 | -\$71,523 | -\$49,208 | \$41,288 | \$4,179 | 0.0 |
| Military and Veterans Affairs | 9,513 | -16,709 | 1,436 | 0 | 24,786 | 0.0 |
| Transportation | 106,273 | 0 | 106,273 | 0 | 0 | 0.0 |

PERA Direct Distribution

The Department of Military and Veterans Affairs has a recommended budget neutral refinance of PERA direct distribution, increasing General Fund by \$164,169 and reducing federal funds by the same. This recommended change is due to PERA distributions being a prohibited use of federal funds.

Agriculture – H.B. 26-1150

The Colorado Department of Agriculture’s mission is to strengthen and advance Colorado agriculture.

FY 2025-26 Summary

Department of Agriculture: Recommended Changes for FY 2025-26

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|--|--------------|--------------|--------------|-----------------|---------------|-------|
| FY 2025-26 Appropriation | | | | | | |
| SB 25-206 (Long Bill) | \$77,793,462 | \$20,564,403 | \$49,443,501 | \$3,066,248 | \$4,719,310 | 332.1 |
| Other Legislation | 500,000 | 0 | 500,000 | 0 | 0 | 0.0 |
| Current FY 2025-26 Appropriation | \$78,293,462 | \$20,564,403 | \$49,943,501 | \$3,066,248 | \$4,719,310 | 332.1 |
| Recommended Changes | | | | | | |
| Current FY 2025-26 Appropriation | \$78,293,462 | \$20,564,403 | \$49,943,501 | \$3,066,248 | \$4,719,310 | 332.1 |
| Statewide pine beetle | 101,540 | 0 | 101,540 | 0 | 0 | 0.8 |
| Impacts driven by other agencies | -192,342 | -174,814 | -29,937 | 0 | 12,409 | 0.0 |
| Recommended FY 2025-26 Appropriation | \$78,202,660 | \$20,389,589 | \$50,015,104 | \$3,066,248 | \$4,731,719 | 332.9 |
| Recommended Increase/-Decrease from FY 2025-26 | -\$90,802 | -\$174,814 | \$71,603 | \$0 | \$12,409 | 0.8 |
| Percentage Change | -0.1% | -0.9% | 0.1% | 0.0% | 0.3% | 0.2% |

Recommended Changes

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

Statewide pine beetle: The bill includes funding to implement a biocontrol response to an identified risk of increased mountain pine beetle infestation in Colorado’s ponderosa pine forests. The increase establishes a pilot program to test the feasibility and potential effectiveness of a novel biological control strategy.

- Current year: Increase of \$101,540 cash funds and 0.8 FTE.
- Year 1: Ongoing impact of \$322,993 cash funds and 3.0 FTE.

Impacts driven by other agencies: The bill includes a net decrease of \$192,342 for budget actions originating from other state agencies. The amounts shown in the table below apply only to this department and do not necessarily reflect the total value of the budget action.

Impacts driven by other agencies

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|---------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Health, Life, and Dental supplemental | \$112,193 | \$3,406 | \$95,157 | \$0 | \$13,630 | 0.0 |

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|-------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| OIT Real time billing | -192,759 | -122,479 | -70,280 | 0 | 0 | 0.0 |
| DPA Annual fleet supplemental | -111,776 | -55,741 | -54,814 | 0 | -1,221 | 0.0 |
| Total | -\$192,342 | -\$174,814 | -\$29,937 | \$0 | \$12,409 | 0.0 |

Corrections – H.B. 26-1151

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

FY 2024-25 Recommended Changes

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

Personal service shortfall: The bill includes \$7.4 million General Fund to address a shortfall in employee compensation funding. This includes \$4.1 million for unfunded PERA liability payments and \$3.3 million for shift differential payments. The JBC approved this spending during the June 2025 interim supplemental process.

Payments to local jails: The bill includes \$1.3 million General fund for reimbursements to local jails holding DOC inmates. The JBC approved this spending during the June 2025 interim supplemental process.

FY 2025-26 Summary

Department of Corrections: Recommended Changes for FY 2025-26

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|--|-----------------|-----------------|--------------|-----------------|---------------|---------|
| FY 2025-26 Appropriation | | | | | | |
| SB 25-206 Long Bill | \$1,185,594,856 | \$1,086,514,775 | \$50,574,557 | \$45,164,521 | \$3,341,003 | 6,389.0 |
| Other legislation | 4,661,591 | -485,829 | 842,346 | 4,305,074 | 0 | 2.0 |
| Current FY 2025-26 Appropriation | \$1,190,256,447 | \$1,086,028,946 | \$51,416,903 | \$49,469,595 | \$3,341,003 | 6,391.0 |
| Recommended Changes | | | | | | |
| Current FY 2025-26 Appropriation | \$1,190,256,447 | \$1,086,028,946 | \$51,416,903 | \$49,469,595 | \$3,341,003 | 6,391.0 |
| Medical caseload | 12,517,638 | 12,517,638 | 0 | 0 | 0 | 0.0 |
| Medical and mental health contracts | 10,016,296 | 10,016,296 | 0 | 0 | 0 | 0.0 |
| Payments to local jails | 3,331,810 | 3,331,810 | 0 | 0 | 0 | 0.0 |
| Private prison utilization | 2,778,474 | 2,778,474 | 0 | 0 | 0 | 0.0 |
| Prison caseload | 2,392,936 | 2,392,936 | 0 | 0 | 0 | 15.1 |
| Impacts driven by other agencies | 1,468,408 | 1,468,356 | 52 | 0 | 0 | 0.0 |
| Food service | 620,471 | 620,471 | 0 | 0 | 0 | 0.0 |
| 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 |
| Offset - Dress out | -400,000 | -400,000 | 0 | 0 | 0 | 0.0 |
| Recommended FY 2025-26 Appropriation | \$1,203,403,094 | \$1,115,073,827 | \$47,658,415 | \$37,329,849 | \$3,341,003 | 6,406.1 |
| Recommended Increase/-Decrease from FY 2025-26 | \$13,146,647 | \$29,044,881 | -\$3,758,488 | -\$12,139,746 | \$0 | 15.1 |
| Percentage Change | 1.1% | 2.7% | -7.3% | -24.5% | 0.0% | 0.2% |

Recommended Changes

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

Medical caseload: The bill includes \$12.5 million General Fund for external medical services and pharmaceuticals. The per-offender per-month cost has increased along with the inmate population. External medical services account for most of the increase at \$9.0 million.

Medical and mental health contracts: The bill includes \$10.0 million General Fund for contract clinical workers filling vacant state positions. Contract workers cost more than state FTE, so unfilled state positions in the relevant line items cannot cover the full cost of contract workers. More than \$9.0 million of the increase goes to the Department's Medical Services Subprogram.

Payments to local jails: The bill includes \$3.3 million General Fund to reimburse local jails housing DOC inmates. The average daily number of inmates in local jails has been higher than the original appropriation assumed.

Private prison utilization: The bill includes \$2.8 million General Fund for 153 more private prison beds for male inmates. The number of inmates sentenced to the DOC's custody has been higher than the original appropriation assumed. The JBC approved this spending during the September 2025 interim supplemental process.

Prison caseload: The bill includes \$2.4 million General Fund for 788 state prison beds for male inmates. The number of inmates sentenced to the DOC's custody has been higher than the original appropriation assumed. Funding supports 300 beds at Sterling, 200 beds at Buena Vista, and 288 beds at Delta. The beds at Sterling and Buena Vista are minimum-restricted custody and the beds at Delta are minimum custody.

Appropriations for prison caseload

| Additional prison capacity | Sterling | Buena Vista | Delta | Total |
|---|-----------|-------------|-----------|-------------|
| Personal services | \$565,180 | \$344,131 | \$458,454 | \$1,367,765 |
| Operating expenses | 170,137 | 131,461 | 201,261 | 502,859 |
| Personnel start-up (Basic training, uniforms, etc.) | 101,855 | 40,545 | 58,655 | 201,055 |
| Subtotal | \$837,172 | \$516,137 | \$718,370 | \$2,071,679 |
| Facility start-up (Pillows, blankets, etc.) | | | | \$288,742 |
| Inmate phone calls | | | | 32,515 |
| Total | | | | \$2,392,936 |

Impacts driven by other agencies: The bill includes a net increase of \$1.5 million for budget actions originating from other state agencies. The amounts shown in the table below apply only to this department and do not necessarily reflect the total value of the budget action.

Impacts driven by other agencies

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|--------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Health, life, and dental | \$2,260,226 | \$2,225,158 | \$35,068 | \$0 | \$0 | 0.0 |
| OIT Real time billing | -530,171 | -518,560 | -11,611 | 0 | 0 | 0.0 |

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|-------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| DPA Annual fleet supplemental | -261,647 | -238,242 | -23,405 | 0 | 0 | 0.0 |
| Total | \$1,468,408 | \$1,468,356 | \$52 | \$0 | \$0 | 0.0 |

Food service: The bill includes an increase of \$0.6 million General Fund for food service operations. The affected line item supports all state prisons except for those located on the Pueblo campus (La Vista, Youthful Offender System, San Carlos).

Reduce Correctional Industries (CI) spending authority: The bill includes a reduction of \$15.9 million cash and reappropriated funds. The change aligns appropriations with actual expenses and recommendations in the recent evaluation of the DOC's budget practices.

Offset - Transgender healthcare: The bill includes a reduction of \$3.7 million General Fund to align the appropriation with recent and expected expenditures.

Offset – Dress out: The bill includes a reduction of \$0.4 million General Fund to align the appropriation with recent expenditures. The Department consistently underspends the appropriation.

Early Childhood – H.B. 26-1152

The Department of Early Childhood supports the care, education, and well-being of young children. The Department's primary programs include the Universal Preschool Program, the Colorado Child Care Assistance Program, Early Intervention, and provider licensing and monitoring.

FY 2025-26 Summary

Department of Early Childhood: Recommended Changes for FY 2025-26

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|--|---------------|---------------|---------------|-----------------|---------------|-------|
| FY 2025-26 Appropriation | | | | | | |
| SB 25-206 (Long Bill) | \$802,891,580 | \$318,575,707 | \$279,083,896 | \$16,607,388 | \$188,624,589 | 243.1 |
| Other legislation | -\$150,000 | -\$150,000 | 0 | 0 | 0 | 0.0 |
| Current FY 2025-26 Appropriation | \$802,741,580 | \$318,425,707 | \$279,083,896 | \$16,607,388 | \$188,624,589 | 243.1 |
| Recommended Changes | | | | | | |
| Current FY 2025-26 Appropriation | \$802,741,580 | \$318,425,707 | \$279,083,896 | \$16,607,388 | \$188,624,589 | 243.1 |
| Universal Preschool Program increase | 10,000,000 | 0 | 10,000,000 | 0 | 0 | 0.0 |
| Early Intervention right-size | -7,342,227 | -7,342,227 | 0 | 0 | 0 | 0.0 |
| Prioritizing CCDF investments | -510,000 | 0 | 0 | 0 | -510,000 | 0.0 |
| Impacts driven by other agencies | -464,419 | -348,991 | -48,037 | -32,431 | -34,960 | 0.0 |
| Recommended FY 2025-26 Appropriation | \$804,424,934 | \$310,734,489 | \$289,035,859 | \$16,574,957 | \$188,079,629 | 243.1 |
| Recommended Increase/-Decrease from FY 2025-26 | | | | | | |
| | \$1,683,354 | -\$7,691,218 | \$9,951,963 | -\$32,431 | -\$544,960 | 0.0 |
| Percentage Change | 0.2% | -2.4% | 3.6% | -0.2% | -0.3% | 0.0% |

Recommended Changes

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

Universal Preschool Program increase: The bill includes a \$10.0 million increase from the Preschool Programs Cash Fund to cover an increase in Universal Preschool Program caseload.

Early Intervention right-size: The bill includes a reduction of \$7.3 million General Fund to the Early Intervention program to align with historic underspending.

Prioritizing Child Care and Development Fund (CCDF) investments: The bill includes a reduction of \$510,000 in federal child care funds. The reductions impact the following programs:

FY 2025-26 CCDF Reductions

| Item | Reduction |
|--|-------------------|
| Teacher Salary Grant Program | -\$250,000 |
| Workforce Recruitment and Retention Grants | -150,000 |
| Consumer Education and Outreach | -50,000 |
| Child Care Resource and Referrals | -30,000 |
| Expanding Quality for Infants and Toddlers | -30,000 |
| Total | -\$510,000 |

These changes start to align spending with the amount received in federal awards annually. The Department has overspent what it receives in annual federal awards by dipping into the CCDF's fund balance. However, this balance will soon become \$0. The Department is working on further changes to make spending sustainable to the amount of funding received.

Impacts driven by other agencies: The bill includes a net decrease of \$464,419 for budget actions originating from other state agencies. The amounts shown in the table below applies only to this department and does not necessarily reflect the total value of the budget action.

Impacts driven by other agencies

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|---------------------------------------|-------------------|-------------------|------------------|------------------|------------------|------------|
| Health, Life, and Dental supplemental | -\$308,390 | -\$220,211 | -\$48,037 | -\$5,182 | -\$34,960 | 0.0 |
| OIT Real time billing | -154,913 | -127,664 | 0 | -27,249 | 0 | 0.0 |
| DPA Annual fleet supplemental | -1,116 | -1,116 | 0 | 0 | 0 | 0.0 |
| Total | -\$464,419 | -\$348,991 | -\$48,037 | -\$32,431 | -\$34,960 | 0.0 |

Education – H.B. 26-1153

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.

FY 2025-26 Summary

Department of Education: Recommended Changes for FY 2025-26

| Item | Total Funds | General Fund [1] | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|---|-----------------|------------------|-----------------|-----------------|---------------|-------|
| FY 2025-26 Appropriation | | | | | | |
| SB 25-206 (Long Bill) | \$7,756,003,663 | \$4,711,597,574 | \$2,139,481,573 | \$55,664,660 | \$849,259,856 | 742.3 |
| Other legislation | -66,599,874 | -41,603,376 | -25,246,498 | 250,000 | 0 | 9.1 |
| Current FY 2025-26 Appropriation | \$7,689,403,789 | \$4,669,994,198 | \$2,114,235,075 | \$55,914,660 | \$849,259,856 | 751.4 |
| Recommended Changes | | | | | | |
| Current FY 2025-26 Appropriation | \$7,689,403,789 | \$4,669,994,198 | \$2,114,235,075 | \$55,914,660 | \$849,259,856 | 751.4 |
| HSMA program balancing | 27,530,031 | 0 | 27,530,031 | 0 | 0 | 0.0 |
| CSI mill levy equalization | 1,034,115 | 0 | 1,034,115 | 0 | 0 | 0.0 |
| HB25-1278 roll forward | 0 | 0 | 0 | 0 | 0 | 0.0 |
| Impacts driven by other agencies | -158,055 | -278,179 | 3,303 | 22,270 | 94,551 | 0.0 |
| Recommended FY 2025-26 Appropriation | \$7,717,809,880 | \$4,669,716,019 | \$2,142,802,524 | \$55,936,930 | \$849,354,407 | 751.4 |
| Recommended Increase/- Decrease from FY 2025-26 | \$28,406,091 | -\$278,179 | \$28,567,449 | \$22,270 | \$94,551 | 0.0 |
| Percentage Change | 0.4% | 0.0% | 1.4% | 0.0% | 0.0% | 0.0% |

[1] Includes General Fund Exempt.

Recommended Changes

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

HSMA program balancing: The bill includes adjustments based on the passage of Propositions LL and MM, which provide additional revenue for the Healthy School Meals for All (HSMA) Program. The changes amend the appropriation in S.B. 25-214 (Healthy School Meals for All) to increase the funding for school meals by \$27.5 million cash funds. The adjustment includes an increase of \$35.6 million from the HSMA Cash Fund that is partially offset by eliminating \$8.1 million from the State Education Fund. With this adjustment, the appropriation for HSMA meal reimbursements will be \$143.9 million, which is assumed to be ongoing. Further adjustments for FY 2025-26 and increases for FY 2026-27 are anticipated based on inflation and utilization. The bill also adds \$32,000 from the HSMA Cash Fund for an IT systems change.

CSI mill levy equalization: The bill includes an increase of \$1.0 million cash funds from the State Education Fund for Charter School Institute (CSI) mill levy equalization, providing total funding of \$54.6 million from the General Fund and State Education Fund in this line item for FY 2025-26. The adjustment is based on current law; out-year costs are expected to increase, based on the equalization calculation.

HB25-1278 roll forward: The bill allows the Department to spend \$485,910 of the FY 2025-26 appropriation in H.B. 25-1278 (Education Accountability System) through FY 2026-27. This corrects a technical error in the original appropriation.

Impacts driven by other agencies: The bill includes a net decrease of \$0.2 million for budget actions originating 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 the budget action.

Impacts driven by other agencies

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|---------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| OIT Real time billing | -76,532 | -56,492 | -15,177 | -4,863 | 0 | 0.0 |
| Health, Life, and Dental supplemental | -75,645 | -215,809 | 18,480 | 27,133 | 94,551 | 0.0 |
| DPA Annual fleet supplemental | -5,878 | -5,878 | 0 | 0 | 0 | 0.0 |
| Total | -\$158,055 | -\$278,179 | \$3,303 | \$22,270 | \$94,551 | 0.0 |

Governor – H.B. 26-1154

The Department is comprised of the Office of the Governor, the Office of the Lieutenant Governor, the Office of State Planning and Budgeting (OSPB), Economic Development Programs, and the Office of Information Technology (OIT).

FY 2025-26 Summary

Governor - Lieutenant Governor - State Planning and Budgeting: Recommended Changes for FY 2025-26

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|---|---------------|--------------|---------------|-----------------|---------------|---------|
| FY 2025-26 Appropriation | | | | | | |
| SB 25-206 (Long Bill) | \$544,599,466 | \$52,966,564 | \$97,880,358 | \$384,897,330 | \$8,855,214 | 1,272.2 |
| Other legislation | 8,331,658 | 146,720 | 7,723,488 | 461,450 | 0 | 0.1 |
| Current FY 2025-26 Appropriation | \$552,931,124 | \$53,113,284 | \$105,603,846 | \$385,358,780 | \$8,855,214 | 1,272.3 |
| Recommended Changes | | | | | | |
| Current FY 2025-26 Appropriation | \$552,931,124 | \$53,113,284 | \$105,603,846 | \$385,358,780 | \$8,855,214 | 1,272.3 |
| Impacts driven by other agencies | 814,100 | 214,643 | 64,688 | 493,889 | 40,880 | 0.0 |
| OIT real-time billing supplemental | -14,569,333 | 0 | 0 | -14,569,333 | 0 | 0.0 |
| Recommended FY 2025-26 Appropriation | \$539,175,891 | \$53,327,927 | \$105,668,534 | \$371,283,336 | \$8,896,094 | 1,272.3 |
| Recommended Increase/-Decrease from FY 2025-26 | | | | | | |
| Recommended Increase/-Decrease from FY 2025-26 | -\$13,755,233 | \$214,643 | \$64,688 | -\$14,075,444 | \$40,880 | 0.0 |
| Percentage Change | -2.5% | 0.4% | 0.1% | -3.7% | 0.5% | 0.0% |

Recommended Changes

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

Impacts driven by other agencies: The bill includes a net increase of \$814,100 for budget actions originating from other state agencies. The amounts shown in the table below apply only to this department and do not necessarily reflect the total value of the budget action.

Impacts Driven by Other Agencies

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|---------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Health, Life, and Dental supplemental | \$686,076 | \$86,619 | \$64,688 | \$493,889 | \$40,880 | 0.0 |
| OIT Real time billing | 130,439 | 130,439 | 0 | 0 | 0 | 0.0 |
| DPA Annual fleet supplemental | -2,415 | -2,415 | 0 | 0 | 0 | 0.0 |
| Total | \$814,100 | \$214,643 | \$64,688 | \$493,889 | \$40,880 | 0.0 |

OIT real-time billing supplemental: The bill includes a reduction of \$14.6 million reappropriated funds to OIT from other departments. This includes a reduction of \$9.6 million total funds, including \$2.1 million General Fund, in payments to OIT across state agencies.

Health Care Policy and Financing – H.B. 26-1155

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.

FY 2024-25 Recommended Changes

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

Overexpenditures: The bill includes an adjustment to the FY 2024-25 appropriations to release restrictions on the FY 2025-26 appropriations imposed by the State Controller due to overexpenditures in prior years.

- A one-time increase of \$109.1 million total funds, including \$68.6 million General Fund.

Because of the entitlement nature of the Medicaid program, statute¹ allows the Department to overspend Medicaid line items, except administrative line items, as long as the overexpenditures are consistent with the statutory purposes of the Medicaid program. However, the State Controller restricts the current fiscal year's appropriation until the General Assembly approves a supplemental for the prior year overexpenditures. Mechanically, amending the FY 2024-25 appropriations releases the restrictions on FY 2025-26 appropriations.

County administration federal funds: The bill includes an adjustment to the FY 2024-25 appropriation to address an increase in match-eligible expenditures by counties for the administration of medical assistance programs.

- A one-time increase of \$1.7 million federal funds.

The General Fund appropriation for the County Administration line includes an “(M)” notation. This notation is places additional limitations and constraints on General Fund appropriations label with the notation. The (M) Note is occasionally used on appropriations for federally supported programs that have state-federal matching requirements. The notation requires that if additional federal funds are made available for the program, then

¹ Section 24-75-109, C.R.S.

the General Fund appropriation is reduced by the amount of those federal funds. The reduction of General Fund resulting from the excess federal funds would have negatively affected counties' ability to meet their own matching requirements for the administration of medical assistance programs.

FY 2025-26 Summary

Department of Health Care Policy and Financing: Recommended Changes for FY 2025-26

| Item | Total Funds | General Fund [1] | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|--|------------------|------------------|-----------------|-----------------|------------------|-------|
| FY 2025-26 Appropriation | | | | | | |
| SB 25-206 (Long Bill) | \$18,165,190,661 | \$5,540,556,633 | \$2,002,883,994 | \$144,020,883 | \$10,477,729,151 | 833.7 |
| Other Legislation | 52,100,285 | 13,759,389 | 27,395,583 | 0 | 10,945,313 | 9.5 |
| Current FY 2025-26 Appropriation | \$18,217,290,946 | \$5,554,316,022 | \$2,030,279,577 | \$144,020,883 | \$10,488,674,464 | 843.2 |
| Recommended Changes | | | | | | |
| Current FY 2025-26 Appropriation | \$18,217,290,946 | \$5,554,316,022 | \$2,030,279,577 | \$144,020,883 | \$10,488,674,464 | 843.2 |
| Medical forecast | 1,059,238,670 | 221,838,902 | 186,618,296 | -28,263 | 650,809,735 | 0.0 |
| Eligibility & benefit changes | -53,915,773 | -17,427,952 | -2,436,090 | 0 | -34,051,731 | 0.3 |
| Provider rates | -186,105,681 | -68,530,074 | 1,804,102 | 0 | -119,379,709 | 0.0 |
| Administration | 14,935,392 | -2,958,895 | 163,771 | 16,583,747 | 1,146,769 | 4.3 |
| Impacts driven by other agencies | 1,439,816 | 1,332,645 | -125,021 | 0 | 232,192 | 0.0 |
| Recommended FY 2025-26 Appropriation | \$19,052,883,370 | \$5,688,570,648 | \$2,216,304,635 | \$160,576,367 | \$10,987,431,720 | 847.8 |
| Recommended Increase/ -Decrease from FY 2025-26 | \$835,592,424 | \$134,254,626 | \$186,025,058 | \$16,555,484 | \$498,757,256 | 4.6 |
| Percentage Change | 4.6% | 2.4% | 9.2% | 11.5% | 4.8% | 0.5% |

[1] Includes General Fund Exempt.

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

Medical forecast

Medical forecast

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|---------------------------------|-----------------|---------------|---------------|-----------------|---------------|-----|
| Medical Services Premiums | \$903,506,547 | \$169,695,381 | \$190,137,305 | \$0 | \$543,673,861 | 0.0 |
| Behavioral health | 129,809,174 | 18,580,986 | 6,635,629 | 0 | 104,592,559 | 0.0 |
| Office of Community Living | 59,301,174 | 32,293,538 | -116,084 | 0 | 27,123,720 | 0.0 |
| Other programs & services | 16,707,669 | 16,707,669 | 0 | 0 | 0 | 0.0 |
| Fed match supplemental payments | 0 | -3,633,121 | 0 | -28,263 | 3,661,384 | 0.0 |
| Child Health Plan Plus | -21,325,620 | -6,530,017 | -933,950 | 0 | -13,861,653 | 0.0 |
| NEMT corrective plan | -17,647,557 | -5,275,534 | -3,548,245 | 0 | -8,823,778 | 0.0 |
| Public school health services | -11,112,717 | 0 | -5,556,359 | 0 | -5,556,358 | 0.0 |
| Total | \$1,059,238,670 | \$221,838,902 | \$186,618,296 | -\$28,263 | \$650,809,735 | 0.0 |

Medical Services Premiums: The bill includes adjustments for a new projection of enrollment and expenditures for Medical Services Premiums under current law and policy.

The new forecast increases projected expenditures by \$903.5 million total funds, including \$169.7 million General Fund.

The Medical Services Premiums line item pays for physical health care and most long-term services and supports for clients eligible for Medicaid.

FY 2025-26 Medical Services Premiums Enrollment/Utilization Trends

| Item | Total Funds | General Fund | Other State | Federal Funds |
|---|-------------------------|------------------------|------------------------|------------------------|
| FY 2025-26 Appropriation | \$12,086,735,818 | \$3,625,759,766 | \$1,519,647,523 | \$6,941,328,529 |
| Acute care | | | | |
| Enrollment | -248,336,409 | -26,940,192 | -27,845,808 | -193,550,409 |
| Per capita | <u>290,920,956</u> | <u>110,876,848</u> | <u>10,887,662</u> | <u>169,156,446</u> |
| <i>Subtotal - Acute Care</i> | <i>42,584,547</i> | <i>83,936,656</i> | <i>-16,958,146</i> | <i>-24,393,963</i> |
| Long-term care programs | | | | |
| Home- and community-based services | 117,336,291 | 24,739,258 | 20,720,505 | 71,876,528 |
| Long-Term Home Health/PDN/Hospice | 12,218,453 | 6,109,226 | 0 | 6,109,227 |
| Nursing homes | 86,515,860 | 42,931,202 | 180,793 | 43,403,865 |
| PACE | <u>5,475,328</u> | <u>2,737,664</u> | <u>0</u> | <u>2,737,664</u> |
| <i>Subtotal - Long-term Care Programs</i> | <i>221,545,932</i> | <i>76,517,350</i> | <i>20,901,298</i> | <i>124,127,284</i> |
| Federal match changes | | | | |
| Non-citizen emergency services | 0 | -28,019,225 | 6,049,794 | 21,969,431 |
| Non-emergency medical transport - error | 0 | 0 | -46,118,977 | 46,118,977 |
| Pregnant 134%-185% FPL | <u>0</u> | <u>10,754,619</u> | <u>0</u> | <u>-10,754,619</u> |
| <i>Subtotal - federal match changes</i> | <i>0</i> | <i>-17,264,606</i> | <i>-40,069,183</i> | <i>57,333,789</i> |
| Medicare & private premiums | 16,732,068 | 7,533,859 | 0 | 9,198,209 |
| Service management | 29,784,574 | 13,017,572 | 1,520,155 | 15,246,847 |
| Hospital supplemental payments | 549,465,215 | 0 | 199,922,150 | 349,543,065 |
| Recoveries | 0 | -12,998,165 | 25,996,330 | -12,998,165 |
| Community First Choice | 46,459,584 | 20,442,217 | 0 | 26,017,367 |
| Other financing | -3,065,373 | -1,489,502 | -1,175,299 | -400,572 |
| Total | \$12,990,242,364 | \$3,795,455,146 | \$1,709,784,828 | \$7,485,002,390 |
| Increase/(Decrease) | \$903,506,547 | \$169,695,381 | \$190,137,305 | \$543,673,861 |
| Percentage Change | 7.5% | 4.7% | 12.5% | 7.8% |

Behavioral health: The bill includes adjustments for a new projection of enrollment and expenditures for behavioral health under current law and policy.

The new forecast increases projected expenditures by \$129.8 million total funds, including \$18.6 million General Fund.

Office of Community Living: The bill includes adjustments for a new projection of enrollment and expenditures for the home- and community-based waivers serving people with intellectual and developmental disabilities.

The new forecast increases projected expenditures by \$59.3 million total funds, including \$32.3 million General Fund.

Other programs & services: The bill includes adjustments for a new projection of enrollment and expenditures for other entitlement programs operated by the Department. The forecast is of expected expenditures under current law and policy.

The new forecast increases projected expenditures by \$16.7 million General Fund.

FY 2025-26 Other programs and services

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds |
|--|----------------------|----------------------|------------|-----------------|--------------------|
| FY 25-26 Appropriation | | | | | |
| Medicare Modernization Act | \$272,802,633 | \$272,802,633 | \$0 | \$0 | \$0 |
| Children Lacking Access Due to Immigration | 32,075,606 | 32,075,606 | 0 | 0 | 0 |
| Reproductive Health | 2,614,490 | 2,614,490 | 0 | 0 | 0 |
| Abortion Care | 2,928,800 | 2,928,800 | 0 | 0 | 0 |
| Health-Related Social Needs (HRSN) | 12,900,408 | 7,622,681 | 0 | 0 | 5,277,727 |
| Reentry Services | 6,517,727 | 3,750,994 | 0 | 0 | 2,766,733 |
| Total - Appropriation | \$329,839,664 | \$321,795,204 | \$0 | \$0 | \$8,044,460 |
| FY 25-26 Projection (Nov) | | | | | |
| Medicare Modernization Act | \$268,225,649 | \$268,225,649 | \$0 | \$0 | \$0 |
| Children Lacking Access Due to Immigration | 53,360,259 | 53,360,259 | 0 | 0 | 0 |
| Reproductive Health | 2,614,490 | 2,614,490 | 0 | 0 | 0 |
| Abortion Care | 2,928,800 | 2,928,800 | 0 | 0 | 0 |
| Health-Related Social Needs (HRSN) | 12,900,408 | 7,622,681 | 0 | 0 | 5,277,727 |
| Reentry Services | 6,517,727 | 3,750,994 | 0 | 0 | 2,766,733 |
| Total - FY 25-26 Projection | \$346,547,333 | \$338,502,873 | \$0 | \$0 | \$8,044,460 |
| Projection Higher/-Lower than Appropriation | | | | | |
| Medicare Modernization Act | -\$4,576,984 | -\$4,576,984 | \$0 | \$0 | \$0 |
| Children Lacking Access Due to Immigration | 21,284,653 | 21,284,653 | 0 | 0 | 0 |
| Reproductive Health | 0 | 0 | 0 | 0 | 0 |
| Abortion Care | 0 | 0 | 0 | 0 | 0 |
| Health-Related Social Needs (HRSN) | 0 | 0 | 0 | 0 | 0 |
| Reentry Services | 0 | 0 | 0 | 0 | 0 |
| Total - Difference | \$16,707,669 | \$16,707,669 | \$0 | \$0 | \$0 |
| Percent Change | | | | | |
| Medicare Modernization Act | -1.7% | -1.7% | n/a | n/a | n/a |
| Children Lacking Access Due to Immigration | 66.4% | 66.4% | n/a | n/a | n/a |
| Reproductive Health | 0.0% | 0.0% | n/a | n/a | n/a |
| Abortion Care | 0.0% | 0.0% | n/a | n/a | n/a |
| Health-Related Social Needs (HRSN) | 0.0% | 0.0% | n/a | n/a | 0.0% |
| Reentry Services | 0.0% | 0.0% | n/a | n/a | 0.0% |
| Total - Percent change | 5.1% | 5.2% | n/a | n/a | 0.0% |

Fed match supplemental payments: The bill includes a decrease in state funds and an increase in federal funds to reflect a change in the federal match rate for certain supplemental payments.

The federal match changes the Department's projected expenditures as follows:

- Current year: A decrease of \$3.6 million General Fund and \$28,263 reappropriated funds and a corresponding increase of \$3.7 million federal funds
- Year 1: A decrease of \$8.5 million General Fund and \$28,263 reappropriated funds and a corresponding increase of \$8.6 million federal funds
- Year 2: A decrease of \$3.6 million General Fund and \$28,263 reappropriated funds and a corresponding increase of \$3.6 million federal funds

In addition to base Medicaid payments, the Department makes supplemental payments for select providers and services. The Department identified two supplemental payments that should qualify for an enhanced federal match because a portion of the expenditures are related to expansion populations. The Pediatric Specialty Hospital Payments go to Children's Hospital to help offset the costs of providing care to a large number of Medicaid and indigent care clients. The Commission on Family Medicine makes payments to sponsoring hospitals to offset the costs of providing residency programs for family medicine physicians.

The Department can go back two years and retroactively claim the enhanced federal match for these supplemental payments. The Department assumes the additional federal funds from retroactive claims will arrive in FY 2026-27, resulting in an additional one-time General Fund savings in that fiscal year. The projected General Fund savings vary slightly by fiscal year based on the projected caseload mix and the proportion of total clients served that qualify for the enhanced federal match. The small change in reappropriated funds is related to money transferred from the University of Colorado's School of Medicine for the Commission on Family Medicine.

Child Health Plan Plus: The bill includes adjustments for a new projection of enrollment and expenditures for the Child Health Plan Plus under current law and policy.

The new forecast decreases projected expenditures by \$21.3 million total funds, including a decrease of \$6.5 million General Fund.

The Child Health Plan Plus (CHP+) compliments the Medicaid program by providing low-cost health insurance for children and pregnant women in families with more income than the Medicaid eligibility criteria allow. CHP+ is the marketing name the Department uses for what state statutes call the Children's Basic Health Plan and federal statutes call the Children's Health Insurance Program. CHP+ covers children and pregnant women to effectively 265 percent of the federal poverty guidelines, or \$70,623 annually for a family of three.

FY 2025-26 Child Health Plan Plus Enrollment/Utilization Trends

| Item | Total Funds | General Fund | Other State | Federal Funds |
|--------------------------|---------------|--------------|--------------|---------------|
| FY 2025-26 Appropriation | \$287,385,214 | \$49,960,249 | \$50,689,576 | \$186,735,389 |
| Enrollment | -56,448,036 | -6,530,017 | -13,226,795 | -36,691,224 |
| Per capita | 35,122,416 | 0 | 12,292,845 | 22,829,571 |
| FY 2025-26 Projection | \$266,059,594 | \$43,430,232 | \$49,755,626 | \$172,873,736 |
| Increase/(Decrease) | -\$21,325,620 | -\$6,530,017 | -\$933,950 | -\$13,861,653 |
| Percentage Change | -7.4% | -13.1% | -1.8% | -7.4% |

NEMT corrective action plan: The bill includes a reduction to account for a corrective action plan with a major provider for non-emergency medical transportation (NEMT).

The corrective action plan decreases the Department's forecast by:

- Current year: \$17.6 million total funds, including \$5.3 million General Fund
- Year 1: \$20.8 million total funds, including \$6.3 million General Fund, and ongoing

The request captures the projected savings from a decrease in payments to MedRide. MedRide is the largest provider of NEMT services statewide. Based on performance issues, the Department attempted to terminate MedRide's participation in Medicaid in January 2025. MedRide challenged the Department's action and a court order temporarily prevented the Department from terminating MedRide's participation. Rather than continuing to pursue termination, the Department entered a settlement agreement. The settlement agreement imposed new limitations on the provider effective June 2025. Since the settlement agreement, payments to MedRide have decreased significantly from the assumptions in the November forecast. MedRide's share of total trip volume decreased from about 16 percent prior to the settlement agreement to roughly 13 percent.

Key provisions of the settlement agreement with MedRide include:

- Comprehensive re-credentialing of all drivers and vehicles to ensure full regulatory compliance prior to transport.
- Establishment of a formal member eligibility validity verification process.
- Appointment of a third-party auditor to review claims before submission, which MedRide pays for.
- Implementation of a ride volume cap, 1,400 daily trips, pending sustained demonstration of compliance and operational integrity.

Public school health services: The bill includes a decrease based on projected certified public expenditures by school districts and Boards of Cooperative Education Services (BOCES). The new forecast decreases the projected expenditures by:

- Current year: \$11.1 million total funds
- Year 1: \$3.2 million total funds

Through the School Health Services Program, school districts and BOCES identify their expenses in support of Medicaid eligible children. The Department submits them as certified public expenditures to claim federal matching funds. The Department disburses the federal matching funds, less administrative expenses, to the school districts and BOCES. The schools use the funds to offset their costs of providing services or to expand services for low-income, underinsured, or uninsured children and to improve coordination of care between school districts and health providers.

Eligibility and benefit changes

Eligibility & benefit changes

| Item | Total Funds | General Fund | Cash Funds | Reappropriated Funds | Federal Funds | FTE |
|---------------------|---------------|--------------|------------|----------------------|---------------|-----|
| Continuous coverage | -\$13,604,503 | -\$5,613,171 | -\$358,438 | \$0 | -\$7,632,894 | 0.0 |

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|------------------------------|---------------|---------------|--------------|-----------------|---------------|-----|
| Tests for specific drugs | -12,930,713 | -1,719,785 | -949,114 | 0 | -10,261,814 | 0.0 |
| Community health workers | -5,713,346 | -1,364,558 | -342,750 | 0 | -4,006,038 | 0.0 |
| DOJ housing vouchers | -5,580,999 | -2,790,499 | 0 | 0 | -2,790,500 | 0.0 |
| Biosimilars | -5,131,802 | -982,330 | -516,862 | 0 | -3,632,610 | 0.0 |
| 3rd Party pay for drugs | -4,071,186 | -1,226,741 | -268,926 | 0 | -2,575,519 | 0.0 |
| Community connector units | -2,533,994 | -1,266,997 | 0 | 0 | -1,266,997 | 0.0 |
| HCBS hours soft cap | -2,471,787 | -1,235,894 | 0 | 0 | -1,235,893 | 0.3 |
| LTSS presumptive eligibility | -1,303,093 | -690,802 | 0 | 0 | -612,291 | 0.0 |
| Senior dental | -500,000 | -500,000 | 0 | 0 | 0 | 0.0 |
| Homemaker hours soft cap | -74,350 | -37,175 | 0 | 0 | -37,175 | 0.0 |
| Total | -\$53,915,773 | -\$17,427,952 | -\$2,436,090 | \$0 | -\$34,051,731 | 0.3 |

Continuous coverage: The federal government rescinded the Department's authorization to provide continuous coverage for children to age three and for adults for one year after release from prison.

The federal action reduces the Department's forecast by:

- Current year: \$13.6 million total funds, including \$5.6 million General Fund
- Year 1: \$27.2 million total funds, including \$11.2 million General Fund, and ongoing

House Bill 23-1300 required the Department to seek federal authorization to provide this continuous coverage. The Centers for Medicare and Medicaid Services (CMS) initially approved the waiver but has since withdrawn the approval. In a [July 17 letter to states](#), CMS argued that continuous eligibility can lead to overpayment and unsustainable expenditures for people who would not normally be eligible.

Tests for specific drugs: The Department implemented prior authorization requirements before paying for more than 16 urine tests in a year that determine the specific drugs in a patient.

The Department implemented the limit October 1, 2025. The limit reduces the Department's forecast by:

- Current year: \$12.9 million total funds, including \$1.7 million General Fund
- Year 1: \$14.1 million total funds, including \$1.9 million General Fund, and ongoing

The limit applies to definitive drug tests that determine specific drugs, metabolites, or quantities. They do not apply to presumptive drug tests that are the standard for monitoring substance use as part of treatment.

In December, the Medical Services Board approved a further reduction in the limit to 12 tests in a year. This will incrementally increase the savings. However, due to a backlog of changes needed in the Medicaid Management System, including changes to implement H.R. 1, the Department does not plan to implement system changes to enforce the second reduction to the limit until July 2027.

From 2021 to 2024 the members receiving these services nearly doubled from 22,813 to 43,194. Spending increased 4.5 times from \$12 million to \$54 million. Based on medical guidelines, the Department believes much of the testing is unnecessary and lacks clinical justification. Certain laboratories are outliers, averaging significantly higher tests per member. The Department says the outlier billing is driven by standing-order

arrangements that bypass presumptive drug testing or reflex to definitive drug testing on every positive presumptive test regardless of clinical context.

Community health workers: The bill delays the start of coverage for community health workers that was scheduled to begin January 1, 2026.

The delay temporarily reduces the Department's forecast by:

- Current year: \$5.7 million total funds, including \$1.4 million General Fund
- Year 1: \$13.4 million total funds, including \$3.2 million General Fund, until the General Assembly appropriates funding

Community health workers provide education, care coordination, and navigation to connect Medicaid members and underserved populations to health and social services. Senate Bill 23-002 directed Medicaid to cover community health worker services and then S.B. 25-229 delayed the implementation from July 1, 2025 to January 1, 2026. The reimbursement of community health workers is "subject to available appropriations". This budget action further delays the implementation until the General Assembly can come up with the money.

DOJ housing vouchers: The bill reflects the net cost savings for individuals transitioning from nursing facilities into a community-based care setting.

- Current year: -\$5.6 million total funds, including -\$2.8 General Fund

The State of Colorado entered into a settlement agreement with the federal Department of Justice (DOJ) on October 31, 2024 to resolve litigation regarding claims of violations of Title II of the Americans with Disabilities Act. The settlement agreement aims to improve the State's:

- provision of information to members to prevent unnecessary institutionalization,
- provision of effective transition services,
- access to Colorado's community-based service system, and
- access to integrated community-based housing opportunities.

The transition of individuals from nursing facilities to community-based care settings reduces the cost of care because the latter is a less costly care setting.

Biosimilars: The bill reflects new Department policies requiring people to try certain lower cost biosimilar drugs rather than paying for higher cost branded biologic drugs.

The Department implemented the first limitations July 15, 2025, and further restrictions January 1, 2026. The limits reduce the Department's forecast by:

- Current year: \$5.1 million total funds, including \$982,330 General Fund
- Year 1: \$12.3 million total funds, including \$2.4 million General Fund, and ongoing

Like generic drugs, biosimilars have no clinically meaningful differences in safety, purity, or effectiveness. Unlike generics, biosimilars are not chemically identical to the original. The biosimilars are made from living cells and there are non-clinically meaningful variations. This is not the same as requiring the client to fail on a different

type of lower cost treatment. The biosimilars are the same treatment to address the same ailment in the same way using the same type of microorganisms, just produced by a different manufacturer.

3rd Party pay for drugs: The bill reflects a change in Department policy to no longer pay as the primary insurer for drugs when a member has 3rd party insurance but uses a pharmacy that is out-of-network for that 3rd party insurer.

The Department implemented the limit January 1, 2026. The new limit reduces the Department's forecast by:

- Current year: \$4.1 million total funds, including \$1.2 million General Fund
- Year 1: \$9.8 million total funds, including \$2.9 million General Fund, and ongoing

If a Medicaid member has 3rd party insurance and that 3rd party insurer has a closed pharmacy network, such as Kaiser, then the member will no longer be able to get full coverage for prescriptions at any pharmacy that might be convenient to them, such as Walgreens or King Soopers. Instead, they will need to go to an in-network pharmacy that might be less convenient to them. The 3rd party insurer will pay as the primary insurer and then Medicaid, as the secondary insurer, will cover any additional costs that are part of the Medicaid benefit but not part of the 3rd party insurer's benefit. The client will know the price after insurance before purchasing the drugs. However, if a client is not aware of their coverage restrictions, they could show up at an out-of-network pharmacy. The Department says that the pharmacy would redirect them to a provider that accepts their coverage.

Community connector units: The bill reflects a change in Department policy that sets a soft cap on the annual hours for community connector services.

The Department anticipates an implementation of April 1, 2026. The new limit reduces the Department's forecast by:

- Current year: \$2.5 million total funds, including \$1.3 million General Fund
- Year 1: \$15.1 million total funds, including \$7.5 million General Fund

Utilization of community connector services has grown much faster than the Department expected, with costs increasing by orders of magnitude since FY 2018-19. Community connector services help individuals enrolled in the Children's Extensive Services (CES) and Children's Habilitation Residential Program (CHRP) waivers participate in typical childhood activities and to become more fully integrate into their communities. Examples of engagement supported by this benefit are volunteering, attending enrichment classes, and going to the library alongside peers without disabilities. The Department is planning a 50.0 percent reduction to the annual cap for community connector services to 1,040 units. Community connector services are billed in 15-minute increments, so the new cap equates to 260 hours per year per member.

HCBS hours soft cap: The bill reflects a change in Department policy that sets a soft cap on the annual hours for personal care, homemaker, and health maintenance activities.

The Department anticipates an implementation of April 1, 2026. The new limits reduce the Department's forecast by:

- Current year: a net \$2.5 million total funds, including \$1.2 million General Fund, and an increase of 0.3 FTE
- Year 1: \$15.1 million total funds, including \$7.5 million General Fund, and an increase of 1.0 FTE

Personal care, homemaker, and health maintenance activities are core home and community-based services (HCBS) benefits and are available under Community First Choice. These services are not currently limited and are authorized based on assessed need. Personal Care services assist with activities such as bathing, dressing, eating, mobility, and hygiene. Homemaker services provide assistance with household tasks including meal preparation, cleaning, laundry, and shopping. Health maintenance activities include supports such as medication administration, catheter care, or respiratory assistance that can be safely performed in the home or community setting. The additional staff resource is term-limited through FY 2027-28.

Annual HCBS Service Limits

| Service | Limit (units) | Daily Hours |
|-------------------------------|---------------|-------------|
| Personal care | 10,000 | 6.5 |
| Homemaker | 4,500 | 3.0 |
| Health maintenance activities | 19,000 | 13.0 |

LTSS presumptive eligibility: The bill reflects the delay in implementation of presumptive eligibility for long-term services and supports (LTSS) until July 1, 2027.

- Current year: A reduction of \$1.3 million total funds, including -\$0.7 million General Fund
- Year 1: A reduction of \$2.8 million total funds, including \$1.5 million General Fund
- Year 2: A reduction of \$1.4 million total funds, including \$0.7 million General Fund

The Department is currently developing a new presumptive eligibility program for long-term support services that would allow adults with disabilities access to some community-based services while their Medicaid application is processed. The Department plans to implement the delay based on feedback and guidance from the Centers for Medicare and Medicaid Services (CMS). CMS gave verbal notice that the State's 1115 waiver will be renewed with a no-cost extension, which means the federal government will not consider any new additions to the waiver and has a year to review the presumptive eligibility program. The Department's proposed delay aligns with the timing of the federal review.

Senior dental: The bill reduces senior dental grants by approximately half, beginning in the fourth quarter of the current year.

The policy reduces the program by:

- Current year: \$500,000 General Fund
- Year 1: \$2,000,000 General Fund in FY 2026-27 and thereafter.

The senior dental grants currently provide approximately \$4.0 million annually to community health centers, nonprofit dental clinics, and public health agencies. The grant recipients use the money for dental care for low-income elderly people. To receive services, a client must be 60 or over, must have income under 250 percent of the federal poverty guidelines, and generally must not have other insurance. However, if the client has a Medicare Advantage Plan that includes dental coverage, then the Department will pay the difference in

coverage. Some Medicare Advantage Plans provide minimal dental coverage. The [Dental Health Care Program for Low Income Seniors Annual Report](#) indicates 25 grantees served 4,657 seniors in FY 2024-25. With the reduction, the Department estimates it can serve about 2,295 seniors per year.

Homemaker soft hours cap: The bill reflects a change in Department policy that sets a soft cap on the paid weekly hours for legally responsible persons providing these services.

The Department anticipates implementation in Spring 2026. The new limit reduces the Department's forecast by:

- Current year: \$74,350 total funds, including \$37,175 General Fund
- Year 1: \$0.4 million total funds, including \$0.2 million General Fund

Homemaker services provide assistance with household tasks including meal preparation, cleaning, laundry, and shopping. The Department proposes reducing the cap for legally responsible persons from 10 hours per week to 5 hours per week. Legally responsible persons are typically family members who have a legal responsibility to care for the individual enrolled in Medicaid.

Provider rates

Provider rates

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|------------------------------------|----------------|---------------|--------------|-----------------|----------------|-----|
| Provider stabilization gifts | \$20,000,000 | \$0 | \$20,000,000 | \$0 | \$0 | 0.0 |
| Provider rates -1.6% | -108,167,253 | -38,277,173 | -5,938,052 | 0 | -63,952,028 | 0.0 |
| XL wheelchair transport | -32,916,295 | -9,899,892 | -6,558,355 | 0 | -16,458,048 | 0.0 |
| Dental rates | -13,779,299 | -2,516,100 | -2,080,674 | 0 | -9,182,525 | 0.0 |
| Rates above 85% Medicare | -16,320,469 | -4,612,165 | -1,158,753 | 0 | -10,549,551 | 0.0 |
| Primary care stabilization | -9,170,070 | -3,000,000 | -338,064 | 0 | -5,832,006 | 0.0 |
| Behavioral health incentives | -5,996,844 | -1,500,000 | -1,498,422 | 0 | -2,998,422 | 0.0 |
| Pediatric behavioral therapy rates | -5,440,445 | -2,720,222 | 0 | 0 | -2,720,223 | 0.0 |
| Community connector rates | -9,081,781 | -4,540,891 | 0 | 0 | -4,540,890 | 0.0 |
| Drug rates | -2,634,322 | -628,713 | -196,419 | 0 | -1,809,190 | 0.0 |
| Accountable care incentives | -2,317,086 | -750,000 | -408,543 | 0 | -1,158,543 | 0.0 |
| Drug dispensing fees | -281,817 | -84,918 | -18,616 | 0 | -178,283 | 0.0 |
| Total | -\$186,105,681 | -\$68,530,074 | \$1,804,102 | \$0 | -\$119,379,709 | 0.0 |

Provider stabilization gifts: The bill provides \$20.0 million from the Provider Stabilization Fund.

The Department has received gifts, grants, and donations for the Provider Stabilization Fund that it cannot spend without additional appropriations. The money in the fund is subject to annual appropriation. The defined revenue sources to the fund include money credited as a loan from the Unclaimed Property Trust Fund, money appropriated by the General Assembly, and gifts, grants, or donations. The current appropriation only provides spending authority for the loan from the Unclaimed Property Trust Fund. To date, the Department has received \$14 million through the Rose Community Foundation. The Colorado Hospital Association says it has another \$8 million more in outstanding commitments that it is working to collect and it is committed to raising \$40 million

in total. The Department will need another \$20 million appropriation in FY 2026-27 to spend the remaining expected gifts.

The money in the Provider Stabilization Fund gets distributed to safety net providers that are a Comprehensive Community Behavioral Health Providers, Rural Health Clinic, Federally Qualified Health Center, or primary care providers serving at least 50 percent clients who are low income, enrolled in Medicare, or uninsured.

Provider rates -1.6%: The bill undoes the 1.6 percent provider rate increase for Medicaid providers that was appropriated in FY 2025-26.

The Department reverted to the FY 2024-25 rates effective October 1, 2025. The rate decrease reduces the Department's forecast by:

- Current year: \$108.2 million total funds, including \$38.3 million General Fund
- Year 1: \$161.0 million total funds, including \$57.0 million General Fund

The adjustment does not apply to behavioral health and managed care providers or providers with rates set by state or federal law.

XL Wheelchair transport: The bill decreases rates in nine metro counties for providing transportation to people in extra-large (XL) wheelchairs.

The change decreases the Department's forecasted expenditures by:

- Current year: \$32.9 million total funds, including \$9.9 million General Fund
- Year 1: \$60.5 million total funds, including \$18.2 million General Fund, and ongoing

Transporting people in extra-large wheelchairs sometimes requires additional attendants and equipment to ensure safety. Therefore, the pickup rates are higher than for other non-emergency medical transportation (NEMT). In 2020, the Department was concerned that providers were confused about the correct billing codes to use for this type of transportation. To clarify the codes, the Department provided guidance to the service broker for the nine metro counties. However, that guidance directed providers to use a code intended for specialty ambulance services. The specialty ambulance service code pays a pickup rate of \$668.93. The correct code for transporting people in extra-large wheelchairs pays a pickup rate of \$65. In November 2025, the Department corrected the billing guidance to NEMT providers.

Dental rates: The bill reduces select dental rates to 95 percent of the benchmark.

The Department implemented the reductions October 1, 2025. The rate reductions decrease the Department's forecast by:

- Current year: \$13.8 million total funds, including \$2.5 million General Fund
- Year 1: \$20.7 million total funds, including \$3.8 million General Fund, and ongoing

The reductions apply to codes that received a large targeted rate increase in FY 2024-25. The decreases vary by code, but the aggregate impact is a 15 percent reduction for the affected codes. The Department did not

provide data showing the reduction relative to total projected dental expenditures, but in FY 2024-25 the Department described the affected codes as the most common and representing a little over half the utilization.

The benchmark is an American Dental Association survey that includes average fees from all payers, including both public and private. The Department compares most rates to Medicare. The Medicare rates attempt to pay at cost and are typically lower than private insurance.

In addition to the direct General Fund savings, the decrease in rates reduces the General Fund obligation for a TABOR refund in any year when a TABOR refund is due. The source of revenue to the Adult Dental Fund is transfers from the Unclaimed Property Trust Fund. Revenue to the Unclaimed Property Trust Fund is exempt from TABOR, because the money is held for another party, but when the General Assembly uses it for another purpose it becomes revenue subject to TABOR.

Rates above 85% of Medicare: The bill reduces provider rates to 85 percent of the Medicare benchmark.

The reductions will take effect April 1, 2026. The reductions decrease the forecast by:

- Current year: \$16.3 million total funds, including \$4.6 million General Fund
- Year 1: \$53.2 million total funds, including \$15.0 million General Fund, and ongoing

The policy only applies to rates with a Medicare benchmark and it excludes primary care and evaluation and management services. The reduction is applied only if the rate is above 85 percent after the 1.6 percent across-the-board reduction. It does not reduce the rates to 85 percent of the benchmark and then apply another 1.6 percent reduction.

Primary care stabilization: The bill stops annual primary care stabilization payments to pediatric, small, or rural providers that do not receive cost-based reimbursements. The payments were budgeted to start July 1, 2025.

Stopping the payments reduces projected expenditures by:

- Current year: \$9.2 million total funds, including \$3.0 million General Fund, in FY 2025-26 and ongoing.

The stabilization payments were a new component of Phase III of the Accountable Care Collaborative. They are not the same as the payments from the Provider Stabilization Fund authorized by S.B. 25-290 that use a loan from the Unclaimed Property Trust Fund. These payments would have gone to primary care providers that are not Federally Qualified Health Centers (FQHCs) or Rural Health Centers (RHCs). The FQHCs and RHCs receive cost-based reimbursements.

The Department estimates 271 primary care providers would have qualified for the primary care stabilization payments. Of the qualifying providers, 59 are in a rural category, 125 are not rural but pediatric, and 87 are neither rural nor pediatric but small. Some of the providers fit in multiple categories.

Behavioral health incentives: The bill reduces incentive payments for behavioral health.

The change reduces the Department's forecast by:

- Current year: \$6.0 million total funds, including \$1.5 million General Fund

Regional Accountable Entities (RAEs) can earn incentive payments by meeting performance metrics. Payments can be up to an additional 5.0 percent of the behavioral health capitation rate. Payments are distributed annually with 66-90.0 percent of awards passed through to providers. The change reflects a 22.6 percent decrease to anticipated payments.

Pediatric behavioral therapy rates: The bill includes a decrease for pediatric behavioral therapy (PBT).

The Department implemented the rate reduction October 1, 2025. The change reduces the Department’s forecast by:

- Current year: \$5.4 million total funds, including \$2.7 million General Fund.
- Year 1: \$13.1 million total funds, including \$6.5 million General Fund.

The General Assembly approved a PBT rate increase to 100.0 percent of a benchmark with other states in FY 2024-25. This rate reduction reflects 95.0 percent of an updated benchmark. PBT rates are not included in the 1.6 percent across the board provider rate decrease.

Community connector rates: The bill reflect a two-phase rate reduction for community connector services.

The first phase was implemented on January 1, 2026 and the second phase will go into effect on April 1, 2026. The rate reductions reduce the Department’s forecast by:

- Current year: \$9.1 million total funds, including \$4.5 million General Fund
- Year 1: \$30.4 million total funds, including \$15.2 million General Fund

Utilization of community connector services has grown much faster than the Department expected, with costs increasing by orders of magnitude since FY 2018-19. Community connector services help individuals enrolled in the Children’s Extensive Services (CES) and Children’s Habilitation Residential Program (CHRP) waivers participate in typical childhood activities and to become more fully integrate into their communities. Examples of engagement supported by this benefit are volunteering, attending enrichment classes, and going to the library alongside peers without disabilities. The combined rate reductions are shown in the following table.

Community Connector Services Rate Change for FY 2025-26

| Municipality | July 1, 2025 | October 1, 2025 | January 1, 2026 (-15%) | April 1, 2026 (-23%) | Total Change (%) |
|--------------|--------------|-----------------|------------------------|----------------------|------------------|
| Denver | \$12.56 | \$12.36 | \$10.67 | \$7.83 | -38.0% |
| Non-Denver | \$12.22 | \$12.03 | \$10.39 | \$7.71 | -37.0% |

Drug rates: The bill changes the methodology used to determine reimbursement rates for drugs in order to reduce expenditures.

Pending federal approval, the changes would take effect April 1, 2026 and reduce the forecast by:

- Current year: \$2.6 million total funds, including \$628,713 General Fund
- Year 1: \$15.8 million total funds, including \$3.8 million General Fund, and ongoing

Based on federal guidance, the Department must pay for most drugs at cost, but there are different ways to determine the "cost". The new methodology would reimburse for all drugs using the lesser of the actual acquisition cost, the National Average Drug Acquisition Cost, or the wholesale acquisition cost less the discount.

The federal Centers for Medicare and Medicaid Services must approve this proposed change to the drug payment methodology. If approved, the Department projects that the number of drugs paying at the wholesale acquisition cost less the discount will increase from 1.0 percent to about 10.0 percent.

The change impacts pharmacies rather than the drug manufacturers.

Accountable care incentives: The bill reduces incentive payments through the Accountable Care Collaborative.

The Department implemented the reduction retroactively for FY 2025-26. Reducing the incentive payments decreases the forecast by:

- Current year: \$2.3 million total funds, including \$750,000 General Fund
- Year 1: \$2.3 million total funds, including \$750,000 General Fund, and ongoing

The Primary Care Medical Providers (PCMPs) and Regional Accountable Entities (RAEs) can earn the incentive payments by improving health outcomes to meet performance goals. The Department's forecast has savings built into it from the historic performance of the Accountable Care Collaborative in improving health outcomes and reducing expenditures. The incentive payments aim to motivate and finance the PCMPs and RAEs to innovate, perform interventions, and provide the preventive care that leads to better outcomes. The Department does not expect a decrease in the savings from better health outcomes as a result of the proposed decrease in incentive payments.

Drug dispensing fees: The bill reduces drug dispensing fees for the highest volume pharmacies.

The reductions take effect April 1, 2026. Reducing the dispensing fees decreases the forecast by:

- Current year: \$281,817 total funds, including \$84,918 General Fund
- Year 1: \$1.7 million total funds, including \$509,509 General Fund, and ongoing

The Department pays pharmacies for the ingredients (the drugs) plus a dispensing fee for each prescription filled. The dispensing fees are tiered based on volume. The highest volume providers with the most economies of scale get paid the lowest dispensing fees.

For the highest volume tier, the dispensing fee will decrease from \$9.31 to \$8.72, or a 6.3 percent reduction. For the second highest volume tier, the dispensing fee will decrease from \$10.25 to \$9.93, or a 3.1 percent reduction. These reductions primarily impact large chain pharmacies, but some independent pharmacies with large volumes will see reductions. There is no impact on Federally Qualified Health Centers or independent rural pharmacies. The proposed reductions are based on the Department's most recent cost of dispensing survey.

Administration

Administration

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|---------------------------|--------------|--------------|------------|-----------------|---------------|-----|
| Technical adjustments | \$16,571,751 | \$0 | \$34,002 | \$16,583,747 | -\$45,998 | 0.0 |
| Federal HR 1 compliance | 5,363,232 | 58,458 | 454,611 | 0 | 4,850,163 | 4.0 |
| Disability determinations | 1,275,000 | 802,544 | -165,044 | 0 | 637,500 | 0.0 |
| Home health admin | 19,975 | 9,988 | 0 | 0 | 9,987 | 0.3 |
| Claims review | -4,467,500 | -2,233,750 | 0 | 0 | -2,233,750 | 0.0 |
| Claims rules enforcement | -3,062,499 | -957,601 | -159,798 | 0 | -1,945,100 | 0.0 |
| SBIRT training grants | -500,000 | -500,000 | 0 | 0 | 0 | 0.0 |
| Member surveys | -264,567 | -138,534 | 0 | 0 | -126,033 | 0.0 |
| Total | \$14,935,392 | -\$2,958,895 | \$163,771 | \$16,583,747 | \$1,146,769 | 4.3 |

Technical adjustments: The bill:

- Increases reappropriated funds for the Colorado Benefits Management System (CBMS) to allow the Department to bill other agencies correctly;
- Provides roll-forward authority for a project delayed by changes in the federal landscape;
- Reduces audit funding to reflect the actual contract; and
- Makes budget neutral shifts of funding between line items to better reflect how the money is actually spent.

Current year: An increase of \$16.6 million total funds, mostly for reappropriated funds for CBMS, and ongoing

Federal H.R. 1 compliance: The bill provides the first year of funding for system changes, member support, and fraud prevention related to complying with H.R. 1.

Current year: An increase of \$5.4 million total funds, including \$58,458 General Fund, and 4.0 FTE

The majority of costs are driven by community engagement 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 Department needs 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.

The Joint Budget Committee is still evaluating the Department's request for future years, which includes:

- Year 1: \$45.8 million total funds, including \$5.6 million General Fund
- Year 2: \$48.1 million total funds, including \$7.5 million General Fund

- Year 3: \$28.5 million total funds, including \$5.6 million General Fund

Disability determinations: The bill reflects a caseload adjustment for disability determination application processing. It also rebalances funding to reflect the caseload split of traditional Medicaid members versus expansion population members.

- Current year: Increase of \$1.3 million total funds, including \$0.8 million General Fund
- Year 1: Increase of \$1.4 million total funds, including \$0.8 million General Fund
- Year 2: Increase of \$1.5 million total funds, including \$0.9 million General Fund

Disability determinations assess whether an individual's medical condition qualifies for Medicaid benefits under disability-based eligibility. Monthly application volume has increased substantially over the last several years. The Department reports that 14,776 applications were processed in FY 2024-25, as compared to 8,917 in FY 2023-24 and 7,696 in FY 2022-23. The Department anticipates application volumes will stabilize in FY 2025-26 and ongoing. The Department estimates that FY 2025-26 application volumes will approximately 15,000.

Home health admin: The bill includes one term-limited position for a projected surge in appeals.

- Current year: Increase of \$19,975 total funds, including \$9,988 General Fund, and 0.3 FTE
- Year 1: Increase of \$67,864 total funds, including \$33,932 General Fund, 1.0 FTE
- Year 2: Increase of \$47,505 total funds, including \$24,753 General Fund, and 0.5 FTE

In August 2025, the Department started new reviews of medical necessity for long-term home health. These reviews include a new assessment where trained nurses use a standardized tool to evaluate the needs of members wanting in-home nursing. The Department believes the new nursing assessment is more consistent, reliable, supported by evidence, and equitable in identifying the needs of clients than the various program-specific assessments it replaces. The Department expects an increase in full and partial denials of service.

The Department expects a temporary surge in appeals as people get reassessed and gain or lose benefits. The term-limited position from March 2026 through February 2028 is intended to help the Department manage the expected surge in appeals.

The Department's November forecast assumes savings from the nursing assessments. In FY 2025-26 the Department projects savings of \$14.3 million total funds, including \$7.1 million General Fund. In FY 2026-27, the Department projects savings of \$48.1 million total funds, including \$24.1 million General Fund. If the Department is unable to resolve appeals in a timely manner, some of the projected savings could be in jeopardy. For example, private duty nursing for one member for 16 hours per day for six months while an appeal is pending would cost \$154,000. Through long-term home health, a certified nurse assistant for 8 hours per day for six months while an appeal is pending would cost \$59,000.

Claims reviews: The bill expands claims reviews to avoid paying improper bills.

The claims reviews reduce projected net expenditures by:

- Current year: \$4.5 million total funds, including \$2.2 million General Fund
- Year 1: \$29.2 million total funds, including \$14.6 million General Fund

- Year 2: \$14.0 million total funds, including \$14.6 million General Fund, and ongoing

These reviews involve people evaluating claims, as opposed to automated reviews. The savings estimates are based on targeting prepayment claims reviews for pediatric behavioral therapy, home- and community-based services, and durable medical equipment. These services involve complex billing requirements, rapidly growing utilization, and a demonstrated vulnerability to improper payments.

Most of the projected savings are related to pediatric behavioral therapy services. The Department is waiting for the final report from a federal audit of payments for pediatric behavioral therapy by the Office of the Inspector General. The audit found potentially improper payments related to missing documentation, inadequate credentialing and oversight, and billing practices that do not meet requirements. The draft finding is that Colorado owes in the range of \$60 million to the federal government for improper payments. Similar audits in other states are getting similar results for these services. Indiana is conducting post-payment claims reviews for pediatric behavioral therapy services and finding error rates of 90-95 percent.

Claims rules enforcement: The bill reflects new claims processing rules to deny improper claims.

The bill assumes the new claims processing rules will edit claims by April 1, 2026, and reduce the Department's forecast by:

- Current year: \$3.1 million total fund funds, including \$957,601 General Fund
- Year 1: \$12.3 million total funds, including \$3.9 million General Fund
- Year 2: \$6.5 million total funds, including \$1.9 million General Fund, and ongoing

The new rules are based on industry billing standards used by the federal Centers for Medicare and Medicaid Services (CMS) and by commercial payers. The rules enforce the Department's established coverage, coding, and documentation standards, rather than imposing new standards. The new rules will impact:

- Ambulance valid services – ensure accurate billing for valid services as defined by CMS
- Ambulance frequency limits – apply frequency controls to identify patterns of potentially inappropriate repetitive transports and prevent payments for services that exceed allowed limits
- Ambulance bundled services – prevent unbundling of services that are considered inclusive under standard billing rules, aligning with CMS and commercial payer practices
- Incomplete diagnoses – identify claims with incomplete diagnosis codes
- Labs – identify claims where the laboratory procedure code is not payable for the associated diagnoses
- Drug screening – apply nationally accepted frequency and medical-necessity standards to drug screening services to prevent excessive or duplicative testing
- Durable medical equipment – prevent early or duplicate replacement of durable medical equipment without medical necessity, while preserving legitimate replacements due to loss, damage, or medical change

The proposed rules and the projected savings are based on annual optimization studies by the Department's vendors and analysis of current claims that don't meet the criteria.

SBIRT training grants: The bill reduces funding for Screening, Brief Intervention and Referral to Treatment (SBIRT) provider training grants.

Current year: \$500,000 General Fund and ongoing

The bill reduces SBIRT training grants from \$1.5 million from the Marijuana Tax Cash Fund (MTCF) to \$1.0 million MTCF. This reduces the anticipated annual number of trainings from 150 to 100. The reduction is used to make a net-zero change for behavioral health capitation as provided in the table below.

SBIRT training grants detail

| Line item | Total Funds | General Fund | Marijuana Tax Cash Fund |
|------------------------------|-------------|--------------|-------------------------|
| SBIRT training | -\$500,000 | \$0 | -\$500,000 |
| Behavioral health capitation | 0 | -500,000 | 500,000 |
| Total | -\$500,000 | -\$500,000 | \$0 |

Member surveys: The bill reduces funding for required surveys of members receiving home- and community-based services. For FY 2025-26, the Department's contract obligations are less than the appropriation. For FY 2026-27, the Department plans to use federal funds from the Money Follows the Person grant to cover part of the costs. Beginning in FY 2026-27, the Department proposes using state FTE to replace some of the contract funds to reduce the cost of the surveys.

The bill reduces the Department's expected expenditures by:

- Current year: \$264,567 total funds, including \$138,534 General Fund

The surveys ask members about satisfaction with the services, experiences within the program, and additional services they may need. Multiple federal rules require the surveys to ensure quality services.

The Money Follows the Person demonstration grant provides time-limited federal funds to help move people from nursing homes to community settings. There are no matching state funds and the federal funds do not appear in the Long Bill. The Department expects federal approval to use a portion of the grant funds for the survey costs in FY 2026-27.

Impacts driven by other state agencies

The bill includes a net increase of \$1.4 million total funds for budget actions originating from other state agencies. The amounts shown in the table below apply only to this department and do not necessarily reflect the total value of the budget action.

Impacts driven by other agencies

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|---------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Human Services programs | \$2,920,252 | \$1,460,126 | \$0 | \$0 | \$1,460,126 | 0.0 |
| Administrative Law Judge services | 463,927 | 150,776 | 81,187 | 0 | 231,964 | 0.0 |
| Health, Life, and Dental supplemental | 199,878 | 65,960 | 33,980 | 0 | 99,938 | 0.0 |
| OIT Real time billing | -2,144,241 | -344,217 | -240,188 | 0 | -1,559,836 | 0.0 |
| Total | \$1,439,816 | \$1,332,645 | -\$125,021 | \$0 | \$232,192 | 0.0 |

Higher Education – H.B. 26-1156

The Department of Higher Education is responsible for higher education and vocational training programs in the state. The Colorado Commission on Higher Education (CCHE) 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.

FY 2024-25 Summary

Recommended Changes

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

SB 23-005 Forestry grant applications: The bill includes an increase of \$1.0 million General Fund to address underspending of \$1.1 million from \$1.2 million provided for FY 2023-24 and over-commitments for FY 2024-25. The bill allows the Department to spend the appropriation through FY 2025-26.

FY 2025-26 Summary

Department of Higher Education: Recommended Changes for FY 2025-26

| Item | Total Funds | General Fund [1] | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|---|-----------------|------------------|-----------------|-----------------|---------------|----------|
| FY 2025-26 Appropriation | | | | | | |
| SB 25-206 (Long Bill) | \$6,492,016,560 | \$1,685,201,835 | \$3,430,837,406 | \$1,349,232,021 | \$26,745,298 | 28,036.3 |
| Other legislation | -\$67,135,627 | -\$852,966 | -\$3,000,000 | -\$63,282,661 | \$0 | -1.4 |
| Current FY 2025-26 Appropriation | \$6,424,880,933 | \$1,684,348,869 | \$3,427,837,406 | \$1,285,949,360 | \$26,745,298 | 28,034.9 |
| Recommended Changes | | | | | | |
| Current FY 2025-26 Appropriation | \$6,424,880,933 | \$1,684,348,869 | \$3,427,837,406 | \$1,285,949,360 | \$26,745,298 | 28,034.9 |
| Care Forward spending authority | 1,026,396 | 0 | 1,026,396 | 0 | 0 | 0.0 |
| Foster Students Program adjustments | 870,380 | 870,380 | 0 | 0 | 0 | 0.0 |
| Lease purchase of academic facilities true-up | 537,430 | 464,821 | -392,212 | 464,821 | 0 | 0.0 |
| Technical adjustments | 0 | 0 | 0 | 0 | 0 | 0.0 |
| Institution FFS contract reductions | -18,622,144 | -9,501,916 | 0 | -9,120,228 | 0 | 0.0 |
| Institution LPFFS reductions | -6,027,800 | -3,013,900 | 0 | -3,013,900 | 0 | 0.0 |
| Fourth Year Innovation Pilot Program | -223,222 | -223,222 | 0 | 0 | 0 | 0.0 |

| Item | Total Funds | General Fund [1] | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|--|-----------------|------------------|-----------------|-----------------|---------------|----------|
| Impacts driven by other agencies | -9,284 | -54,538 | 37,645 | 0 | 7,609 | 0.0 |
| Recommended FY 2025-26 Appropriation | \$6,402,432,689 | \$1,672,890,494 | \$3,428,509,235 | \$1,274,280,053 | \$26,752,907 | 28,034.9 |
| Recommended Increase/-Decrease from FY 2025-26 | -\$22,448,244 | -\$11,458,375 | \$671,829 | -\$11,669,307 | \$7,609 | 0.0 |
| Percentage Change | -0.3% | -0.7% | 0.0% | -0.9% | 0.0% | 0.0% |

[1] Includes General Fund Exempt.

Recommended Changes

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

Care Forward spending authority: The bill includes an increase of \$1.0 million from the Economic Recovery and Relief Cash Fund for the Care Forward program created in S.B. 22-226 (Programs to Support Healthcare Workforce). Statute provides for reimbursement to students through FY 2025-26, but only provided spending authority through FY 2024-25. This appropriation addresses the remaining \$1.0 million of the \$26.0 million appropriation for this purpose.

Foster Students Program adjustments: The bill includes a net increase of \$870,380 General Fund related to caseload adjustments for the State Aid for Foster Students Program. The bill also includes a budget neutral, \$226,429 General Fund increase to the State Aid for Foster Students Program offset by an equal reduction to the Administration line item in the Colorado Commission on Higher Education and Higher Education Special Purpose Programs division.

Lease purchase of academic facilities true-up:

The bill includes an adjustment to the appropriation for certificate of participation (COP) payments for academic facilities based on actual available federal mineral lease revenue. The adjustment includes a \$464,821 General Fund increase, a corresponding reappropriated funds increase, and a \$392,212 decrease from the Federal Mineral Lease Revenues Fund.

Technical adjustments: The bill includes a budget neutral adjustment of \$84,918 across two fund sources to correct fund sources to the Board of Governors of the Colorado State University System appropriation.

Institution fee-for-service contract reductions: The bill includes a reduction of \$18.6 million total funds, including a reduction of \$9.5 million General Fund, for institution of higher education fee-for-service contract funding to align with the Governor's Executive Order. General Fund reductions by institution are outlined in the following table.

Institution Operating General Fund Support Reductions FY 2025-26

| Governing Board or Institution | Fee-for-service (FFS) Contracts | FFS-Specialty Education programs /LDC/ATC | Total |
|--|---------------------------------|---|---------------------|
| Adams State University | -\$209,102 | \$0 | -\$209,102 |
| Colorado Mesa University | -366,065 | 0 | -366,065 |
| Metropolitan State University – Denver | -773,402 | 0 | -773,402 |
| Western Colorado University | -184,314 | 0 | -184,314 |
| Colorado State University System | -1,098,935 | -732,918 | -1,831,853 |
| Fort Lewis College | -174,006 | 0 | -174,006 |
| University of Colorado System | -1,773,976 | -817,563 | -2,591,539 |
| Colorado Mines University | -279,200 | 0 | -279,200 |
| Northern Colorado University | -516,000 | 0 | -516,000 |
| Community College System | -2,194,747 | 0 | -2,194,747 |
| Subtotal – Governing Boards | -\$7,569,747 | -\$1,550,481 | -\$9,120,228 |
| Colorado Mountain College | \$0 | -\$97,820 | -\$97,820 |
| Aims Community College | 0 | -116,151 | -116,151 |
| Subtotal – Local District Colleges (LDC) | \$0 | -\$213,971 | -\$213,971 |
| Area Technical Colleges (ATC) | \$0 | -\$167,717 | -\$167,717 |
| Total | -\$7,569,747 | -\$1,932,169 | -\$9,501,916 |

Institution limited purpose fee-for-service contract reductions: The bill includes a reduction of \$6.0 million total funds, including a reduction of \$3.0 million General Fund, for institution of higher education limited purpose fee-for-service (LPFFS) contract funding to align with the Governor’s Executive Order. General Fund reductions by institution and program are outlined in the following table.

FY 2025-26 LPFFS General Fund Reduction: Institutions

| Institution | Reduction |
|--|--------------|
| Adams State University | -\$32,500 |
| Colorado Mesa University | -107,500 |
| Metropolitan State University – Denver | -107,500 |
| Western Colorado University | -82,500 |
| Colorado State University System | -370,267 |
| Fort Lewis College | -32,500 |
| University of Colorado System | -2,009,793 |
| Colorado Mines University | 0 |
| Northern Colorado University | -32,500 |
| Community College System | -238,840 |
| Subtotal – Governing Boards | -\$3,013,900 |

FY 2025-26 LPFFS General Fund Reduction: Programs

| Program | Reduction |
|--|------------|
| CO Rural Healthcare Workforce Initiative | -\$567,500 |
| Cyber Coding | -1,275,000 |
| Food System Advisory Council | -37,767 |
| Improve Healthcare for Older Coloradans | -974,849 |

| Program | Reduction |
|---|--------------|
| Career and Tech Ed and Apprenticeship Align | -55,360 |
| Career Pathways Funding | -43,480 |
| Supporting Educator Workforce in Colorado | -59,944 |
| Subtotal - Program | -\$3,013,900 |

Fourth Year Innovation Pilot Program: The bill reduces funding for the Fourth Year Innovation Pilot Program by \$223,222 General Fund based on anticipated utilization in FY 2025-26. It also makes technical changes to the appropriation structure. This pilot program provides postsecondary scholarships to low-income students who graduate early from high school.

Impacts driven by other agencies: The bill includes a net decrease of \$9,284 for budget actions originating from other state agencies. The amounts shown in the table below apply only to this department and do not necessarily reflect the total value of the budget action.

Impacts driven by other agencies

| Item | Total Funds | General Fund | Cash Funds | Federal Funds | FTE |
|---------------------------------------|-------------|--------------|------------|---------------|-----|
| Health, Life, and Dental supplemental | \$15,236 | -\$54,538 | \$62,165 | \$7,609 | 0.0 |
| OIT Real time billing | -24,520 | 0 | -24,520 | 0 | 0.0 |
| Total | -\$9,284 | -\$54,538 | \$37,645 | \$7,609 | 0.0 |

Human Services – H.B. 26-1157

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

FY 2024-25 Recommended Changes

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

Adoption overexpenditure: The bill includes a one-time increase of \$5.4 million total funds to reflect an overexpenditure for adoption and relative guardianship assistance. The increase includes \$3.5 million General Fund, \$2.6 million federal funds, and a decrease of \$715,536 cash funds to align with actual expenditures. The Department is statutorily authorized to overexpend the appropriation as necessary to provide the benefit to all families who qualify.

FY 2025-26 Summary

Department of Human Services: Recommended Changes for FY 2025-26

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|---|-----------------|-----------------|---------------|-----------------|---------------|---------|
| FY 2025-26 Appropriation | | | | | | |
| SB 25-206 (Long Bill) | \$2,668,676,927 | \$1,323,288,949 | \$454,233,575 | \$235,269,773 | \$655,884,630 | 5,511.1 |
| Other legislation | 4,214,533 | -647,338 | 8,739,414 | -4,104,819 | 227,276 | 56.4 |
| Current FY 2025-26 Appropriation | \$2,672,891,460 | \$1,322,641,611 | \$462,972,989 | \$231,164,954 | \$656,111,906 | 5,567.5 |
| Recommended Changes | | | | | | |
| Current FY 2025-26 Appropriation | \$2,672,891,460 | \$1,322,641,611 | \$462,972,989 | \$231,164,954 | \$656,111,906 | 5,567.5 |
| Adoption caseload | 18,417,185 | 10,117,680 | 348,939 | 0 | 7,950,566 | 0.0 |
| Food assistance overexpenditure | 10,000,000 | 10,000,000 | 0 | 0 | 0 | 0.0 |
| Impacts driven by other agencies | 5,334,840 | 2,112,985 | 269,789 | 1,940,767 | 1,011,299 | 0.0 |
| SNAP payment errors | 224,862 | 0 | 112,431 | 0 | 112,431 | 1.6 |
| State hospital Medicaid | 0 | -2,252,054 | 0 | 2,252,054 | 0 | 0.0 |
| HB 25-1154 correction | 0 | 0 | 0 | 0 | 0 | 0.0 |
| Fort Logan G-wing delay | -5,111,626 | -5,111,626 | 0 | 0 | 0 | -32.8 |
| CBMS modifications | -1,823,210 | -1,823,210 | 0 | 0 | 0 | 0.0 |
| Recommended FY 2025-26 Appropriation | \$2,699,933,511 | \$1,335,685,386 | \$463,704,148 | \$235,357,775 | \$665,186,202 | 5,536.3 |
| Recommended Increase/-Decrease from FY 2025-26 | | | | | | |
| Recommended Increase/-Decrease from FY 2025-26 | \$27,042,051 | \$13,043,775 | \$731,159 | \$4,192,821 | \$9,074,296 | -31.2 |
| Percentage Change | 1.0% | 1.0% | 0.2% | 1.8% | 1.4% | -0.6% |

Recommended Changes

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

Adoption caseload: The bill includes a \$10.1 million General Fund increase for adoption and relative guardianship assistance. Benefits support families to prevent barriers to adoption and guardianship, including monthly payments and services for children with high medical needs. The program has over-spent the appropriation for the last three fiscal years.

Food assistance overexpenditure: The bill includes a \$10.0 million General Fund increase for the Community Food Assistance Providers Grant Program to assist food banks and pantries. This assistance was provided through an interim supplemental in October 2025 to help reduce the impact of the pause in federal Supplemental Nutrition Assistance Program benefits in November 2025.

Impacts driven by other agencies: The bill includes a net increase of \$5.3 million for budget actions originating from other state agencies. The amounts shown in the table below apply only to this department and do not necessarily reflect the total value of the budget action.

Impacts driven by other agencies

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|---------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| OIT Real time billing | \$4,062,412 | \$1,318,266 | \$181,337 | \$1,830,075 | \$732,734 | 0.0 |
| Health, Life, and Dental supplemental | 1,706,768 | 937,575 | 107,711 | 305,081 | 356,401 | 0.0 |
| DPA Annual fleet supplemental | -434,340 | -142,856 | -19,259 | -194,389 | -77,836 | 0.0 |
| Total | \$5,334,840 | \$2,112,985 | \$269,789 | \$1,940,767 | \$1,011,299 | 0.0 |

SNAP payment errors: The bill includes an increase to create a Supplemental Nutrition Assistance Program (SNAP) payments accuracy team that will review eligibility determinations and provide technical assistance to counties. The state team will work with county eligibility staff to improve determination processes and payment accuracy. The increase is \$224,862 total funds, split evenly between the Healthy School Meals for All Cash Fund and federal funds, and 1.6 FTE.

State hospital Medicaid: The bill includes a net-zero change to reflect anticipated Medicaid payments for patients in the state hospitals. The appropriation was overspent in the prior fiscal year because the number of patients served at the hospitals and Medicaid rates have increased in recent years.

HB 25-1154 correction: The bill includes two technical corrections to the appropriations clause for H.B. 25-1154 (Communication Services People with Disabilities Enterprise). The corrections are:

- The reallocation of 13.8 FTE from the Colorado Commission for the Deaf, Hard of Hearing, and DeafBlind to the Communication Services for People with Disabilities Enterprise.
- Identifying the Prepaid Telephone Disability Access Charge Cash Fund as the source of appropriations to the Department of Revenue.

Fort Logan G-wing delay: The bill includes a decrease of \$5.1 million General Fund to reflect the delayed opening of a new hospital unit at Fort Logan, called the G-wing. The current appropriation assumed a full-year of staffing costs. However, the unit is not expected to open until March due to construction and inspection delays.

CBMS modifications: The bill includes a reduction of \$1.8 million General Fund to partially offset the cost of an IT Capital request for the Colorado Benefits Management System (CBMS). The Departments of Human Services and Health Care Policy and Financing are currently assessing how to best modernize CBMS to create a more holistic and integrated system.

Judicial – H.B. 26-1158

The Judicial Department consists of the traditional Judicial Branch, comprised of the courts and probation (C&P), and independent agencies created in statute. Courts include the Supreme Court, the Court of Appeals, district courts (including the Denver probate and juvenile courts), county courts (except Denver county court), and probation offices in the 23 judicial districts.

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 Commission on Judicial Discipline (CJD); Bridges of Colorado (Bridges); the Office of Administrative Services for Independent Agencies (OASIA); and the Office of Judicial Discipline Ombudsman (OJDO).

FY 2024-25 Summary

Recommended Changes

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

OADC Billing site development: The bill includes \$895,000 General Fund to accurately reflect the cost of developing a billing site to manage contractors. This project has already been completed and is currently in use.

FY 2025-26 Summary

Judicial Department: Recommended Changes for FY 2025-26

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|--|-----------------|---------------|---------------|-----------------|---------------|---------|
| FY 2025-26 Appropriation | | | | | | |
| SB 25-206 (Long Bill) | \$1,148,010,817 | \$875,204,785 | \$203,914,808 | \$64,466,224 | \$4,425,000 | 5,696.7 |
| Other legislation | 3,741,831 | 3,741,831 | \$0 | \$0 | \$0 | 28.1 |
| Current FY 2025-26 Appropriation | \$1,151,752,648 | \$878,946,616 | \$203,914,808 | \$64,466,224 | \$4,425,000 | 5,724.8 |
| Recommended Changes | | | | | | |
| Current FY 2025-26 Appropriation | \$1,151,752,648 | \$878,946,616 | \$203,914,808 | \$64,466,224 | \$4,425,000 | 5,724.8 |
| OADC Caseload increase | 11,777,434 | 11,777,434 | 0 | 0 | 0 | 0.0 |
| Impacts driven by other agencies | 1,896,401 | 1,753,622 | 142,779 | 0 | 0 | 0.0 |
| C&P SIPA grant | 1,000,000 | 0 | 1,000,000 | 0 | 0 | 0.0 |
| C&P Courthouse information technology infrastructure | 613,300 | 613,300 | 0 | 0 | 0 | 0.0 |
| C&P Technical adjustments | 607,205 | 0 | 0 | 607,205 | 0 | 0.0 |
| OSPD CBI DNA misconduct representation | 243,328 | 243,328 | 0 | 0 | 0 | 0.0 |

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|--|-----------------|---------------|---------------|-----------------|---------------|---------|
| OADC CBI DNA misconduct representation | 140,000 | 140,000 | 0 | 0 | 0 | 0.0 |
| C&P Security planning FTE | 40,103 | 0 | 40,103 | 0 | 0 | 0.3 |
| OSPD Judicial Officers correction | 0 | 0 | 0 | 0 | 0 | 0.0 |
| ORPC Align appropriations with estimates | -738,130 | -788,130 | 0 | 50,000 | 0 | 0.0 |
| Bridges One-time reduction | -560,877 | -560,877 | 0 | 0 | 0 | 0.0 |
| C&P Offender treatment and services | -76,201 | -276,201 | 200,000 | 0 | 0 | 0.0 |
| OCPO One-time reduction | -65,000 | -65,000 | 0 | 0 | 0 | 0.0 |
| Recommended FY 2025-26 Appropriation | \$1,166,630,211 | \$891,784,092 | \$205,297,690 | \$65,123,429 | \$4,425,000 | 5,725.1 |
| Recommended Increase/-Decrease from FY 2025-26 | \$14,877,563 | \$12,837,476 | \$1,382,882 | \$657,205 | \$0 | 0.3 |
| Percentage Change | 1.3% | 1.5% | 0.7% | 1.0% | 0.0% | 0.0% |

Recommended Changes

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

OADC Caseload increase: The bill includes an increase of \$11.8 million General Fund for contractor costs related to representing criminal defendants. The increase is driven by caseload volume, volume of digital evidence to be reviewed, travel costs for more in-person proceedings, and representation in direct file cases where youths are prosecuted as adults.

Impacts driven by other agencies: The bill includes a net increase of \$1.9 million for budget actions originating 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 the budget action.

Impacts driven by other agencies

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|---------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Health, Life, and Dental supplemental | \$2,506,470 | \$2,363,691 | \$142,779 | \$0 | \$0 | 0.0 |
| OIT Real time billing | -531,393 | -531,393 | 0 | 0 | 0 | 0.0 |
| OASIA Health, life, dental | -33,924 | -33,924 | 0 | 0 | 0 | 0.0 |
| OASIA Reduced OIT costs | -25,893 | -25,893 | 0 | 0 | 0 | 0.0 |
| DPA Annual fleet supplemental | -18,859 | -18,859 | 0 | 0 | 0 | 0.0 |
| Total | \$1,896,401 | \$1,753,622 | \$142,779 | \$0 | \$0 | 0.0 |

C&P SIPA grant: The bill adds a new line item with \$1.0 million cash funds to spend a State Internet Portal Authority (SIPA) grant. The grant supports an agency-wide identity management system. The system manages what each individual can see or do, including logging into email, accessing files, or using systems and applications.

C&P Courthouse information technology infrastructure: The bill adds \$613,300 General Fund for audiovisual and information technology infrastructure equipment for courtrooms, chambers, and office space occupied by

state employees in county courthouse facilities. The funding addresses the information technology needs of judges and staff added pursuant to S.B. 25-024 (Judicial Officers).

C&P Technical adjustments: The bill includes technical corrections to the courts and probation (C&P) appropriation. The main change is an increase of \$607,205 reappropriated funds in the Correctional Treatment Cash Fund Expenditures line item. This aligns appropriations with amounts approved by the Correctional Treatment Board.

OSPD CBI DNA misconduct representation: The bill includes an increase of \$243,328 General Fund for the Office of the State Public Defender's (OSPD) related to representation of individuals impacted by CBI Lab misconduct.

OADC CBI DNA misconduct representation: The bill includes an increase of \$140,000 General Fund for the Office of Alternate Defense Counsel (OADC) related to representation of individuals impacted by CBI Lab misconduct.

C&P Security planning FTE: The bill includes an increase of \$40,103 cash funds and 0.3 FTE for an analyst to support a taskforce working on judicial district security issues. The analyst will work with state and local officials to identify security risks, opportunities for improved security, potential statutory changes to promote security, and state and local resources to implement the recommendations. The term-limited position is expected to continue through FY 2028-29.

OSPD Judicial Officers correction: The bill includes a net-neutral transfer of \$7,240 General Fund from the Attorney Registration Fees line item to the Training line item in OSPD. This fixes appropriations that were mistakenly switched in the final fiscal note and appropriation for S.B. 25-024 (Judicial Officers).

ORPC Align appropriations with estimates: The bill includes a reduction of \$738,130 total funds, including \$788,130 General Fund, for the Office of Respondent Parents' Counsel (ORPC). This aligns appropriations with the latest cost estimates.

Bridges One-time reduction: The bill includes a reduction of \$560,877 General Fund to reflect vacancy savings achieved through a hiring freeze implemented by Bridges of Colorado.

C&P Offender treatment and services: The bill includes a reduction of \$76,201 total funds for offender treatment and services paid by probation services. It removes a \$276,201 General Fund appropriation and offsets it with \$200,000 cash funds from money recovered from offenders for services paid upfront by the Department.

OCPO One-time reduction: The bill includes a one-time reduction of \$65,000 General Fund to reflect vacancy savings achieved through a hiring freeze implemented by the Office of the Child Protection Ombudsman.

Labor and Employment – H.B. 26-1161

The Department of Labor and Employment manages the State's unemployment insurance and family and medical leave insurance programs, serves and protects job seekers and workers, provides labor market information, regulates the workers' compensation industry, and administers vocational rehabilitation services.

FY 2025-26 Summary

Department of Labor and Employment: Recommended Changes for FY 2025-26

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|--|---------------|--------------|---------------|-----------------|---------------|---------|
| FY 2025-26 Appropriation | | | | | | |
| SB 25-206 (Long Bill) | \$464,570,837 | \$34,543,480 | \$189,063,930 | \$23,912,040 | \$217,051,387 | 1,745.2 |
| Other legislation | 31,449,432 | 496,669 | 30,727,443 | 225,320 | 0 | 8.4 |
| Current FY 2025-26 Appropriation | \$496,020,269 | \$35,040,149 | \$219,791,373 | \$24,137,360 | \$217,051,387 | 1,753.6 |
| Recommended Changes | | | | | | |
| Current FY 2025-26 Appropriation | \$496,020,269 | \$35,040,149 | \$219,791,373 | \$24,137,360 | \$217,051,387 | 1,753.6 |
| Disability grants funding roll forward | 0 | 0 | 0 | 0 | 0 | 0.0 |
| Impacts driven by other agencies | -244,409 | -337,129 | 93,266 | -2,752 | 2,206 | 0.0 |
| Recommended FY 2025-26 Appropriation | \$495,775,860 | \$34,703,020 | \$219,884,639 | \$24,134,608 | \$217,053,593 | 1,753.6 |
| Recommended Increase/-Decrease from FY 2025-26 | | | | | | |
| | -\$244,409 | -\$337,129 | \$93,266 | -\$2,752 | \$2,206 | 0.0 |
| Percentage Change | 0.0% | -1.0% | 0.0% | 0.0% | 0.0% | 0.0% |

Recommended Changes

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

Disability grants funding roll-forward: The bill includes a footnote providing one-year roll-forward authority for \$2.3 million appropriated from the Disability Support Fund to continue reimbursing grants.

Impacts driven by other agencies: The bill includes a net decrease of \$244,409 for budget actions originating from other state agencies. The amounts shown in the table below apply only to this department and do not necessarily reflect the total value of the budget action.

Impacts driven by other agencies

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|---------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Health, Life, and Dental supplemental | \$468,680 | -\$176,503 | \$420,702 | \$4,227 | \$220,254 | 0.0 |
| OIT Real time billing | -640,976 | -154,860 | -288,504 | -6,858 | -190,754 | 0.0 |
| DPA Annual fleet supplemental | -72,113 | -5,766 | -38,932 | -121 | -27,294 | 0.0 |

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|-------|----------------|-----------------|---------------|--------------------|------------------|-----|
| Total | -\$244,409 | -\$337,129 | \$93,266 | -\$2,752 | \$2,206 | 0.0 |

Law – H.B. 26-1160

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.

FY 2025-26 Summary

Department of Law: Recommended Changes for FY 2025-26

| Item | Total Funds | General Fund | Cash Funds | Reapprop. 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 |
| Impacts driven by other agencies | 83,088 | 1,783 | 24,999 | 61,463 | -5,157 | 0.0 |
| River basins litigation funding | 0 | 0 | 0 | 0 | 0 | 0.0 |
| Leased space | -607,687 | -163,801 | -81,659 | -362,227 | 0 | 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 FY 2025-26 | | | | | | |
| Recommended Increase/-Decrease from FY 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% |

Recommended Changes

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

Impacts driven by other agencies: The bill includes a net increase of \$83,088 for budget actions originating 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 the budget action.

Impacts driven by other agencies

| Item | Total Funds | General Fund | Cash Funds | Reapprop. 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 |

River basins litigation funding: The bill includes a budget neutral transfer from the Colorado Water Conservation Board (CWCB) Litigation Fund to respond to increased litigation concerning the waters of Colorado. The transfer is between two lines within the Water and Natural Resources Section.

Current year: Transfers \$74,909 cash funds between two line items dedicated to defending Colorado waters from legal attacks.

Year 2 and ongoing: Adds \$3.8 million from the CWCB Litigation Fund.

Leased space: The bill includes a reduction of \$607,807 total funds, including \$163,801 General Fund, for leased space. This reduction eliminates funding for leased space at 1700 Lincoln Street in preparation for the Department's move back to the Ralph L. Carr Center.

Legislative— No Bill

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

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

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

The Legislative Department has no supplemental changes for FY 2025-26.

Local Affairs – H.B. 26-1161

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

The Department did not have any prioritized supplemental requests. All changes are related to decisions made in other departments. These changes are described in the “Departments Only Impacted by Decisions in Other Agencies” section of this document.

Military and Veterans Affairs – H.B. 26-1162

The Department of Military and Veterans Affairs is responsible for training and maintaining Colorado's Army and Air National Guard to protect the safety and health of Colorado's residents and serve as a reserve force for the U.S. Armed Forces. The Department also administers state programs that assist U.S. military veterans.

The Department did not have any prioritized supplemental requests. All changes are related to decisions made in other departments. These changes are described in the "Departments Only Impacted by Decisions in Other Agencies" section of this document.

Natural Resources – H.B. 26-1163

The Department of Natural Resources is responsible for developing, protecting, and enhancing Colorado's natural resources.

FY 2025-26 Summary

Department of Natural Resources: Recommended Changes for FY 2025-26

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|---|----------------------|---------------------|----------------------|--------------------|---------------------|----------------|
| FY 2025-26 Appropriation | | | | | | |
| SB 25-206 (Long Bill) | \$476,725,197 | \$57,345,170 | \$367,162,434 | \$9,587,533 | \$42,630,060 | 1,804.9 |
| Other legislation | 58,988,878 | -264,268 | 59,253,146 | 0 | 0 | 2.5 |
| Current FY 2025-26 Appropriation | \$535,714,075 | \$57,080,902 | \$426,415,580 | \$9,587,533 | \$42,630,060 | 1,807.4 |
| Recommended Changes | | | | | | |
| Current FY 2025-26 Appropriation | \$535,714,075 | \$57,080,902 | \$426,415,580 | \$9,587,533 | \$42,630,060 | 1,807.4 |
| CPW resources for livestock producers | 125,000 | 0 | 125,000 | 0 | 0 | 0.0 |
| Impacts driven by other agencies | -3,627,084 | -805,064 | -2,747,459 | -27,889 | -46,672 | 0.0 |
| Recommended FY 2025-26 Appropriation | \$532,211,991 | \$56,275,838 | \$423,793,121 | \$9,559,644 | \$42,583,388 | 1,807.4 |
| Recommended Increase/-Decrease from FY 2025-26 | | | | | | |
| Recommended Increase/-Decrease from FY 2025-26 | -\$3,502,084 | -\$805,064 | -\$2,622,459 | -\$27,889 | -\$46,672 | 0.0 |
| Percentage Change | -0.7% | -1.4% | -0.6% | -0.3% | -0.1% | 0.0% |

Recommended Changes

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

Colorado Parks and Wildlife (CPW) resources for livestock producers: The bill includes \$125,000 from the Wildlife Cash Fund to double CPW's range rider services from roughly 10 to 20 riders.

Impacts driven by other agencies: The bill includes a net decrease of \$3.6 million for budget actions originating from other state agencies. The amounts shown in the table below applies only to this department and does not necessarily reflect the total value of the budget action.

Impacts driven by other agencies

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|---------------------------------------|---------------------|-------------------|---------------------|------------------|------------------|------------|
| Health, Life, and Dental supplemental | \$870,149 | \$39,140 | \$788,219 | \$29,468 | \$13,322 | 0.0 |
| DPA Annual fleet supplemental | -2,305,478 | -636,571 | -1,643,789 | 0 | -25,118 | 0.0 |
| OIT Real time billing | -2,191,755 | -207,633 | -1,891,889 | -57,357 | -34,876 | 0.0 |
| Total | -\$3,627,084 | -\$805,064 | -\$2,747,459 | -\$27,889 | -\$46,672 | 0.0 |

Personnel – H.B. 26-1164

The Department of Personnel (DPA) administers the state personnel system, which includes approximately 35,000 full-time-equivalent (FTE) staff, and provides general support services for state agencies.

FY 2024-25 Recommended Changes

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

Printing services true-up: The bill includes an adjustment to the FY 2024-25 appropriations to release restrictions on the FY 2025-26 appropriations imposed by the State Controller due to an overexpenditure in prior years.

FY 2024-25: The bill includes a one-time increase of \$353,028 reappropriated funds.

The Department's printing volume and postage costs increased in the last several years. Printing volume increase were driven by recent legislation. Postage rates set by the U.S. Postal Services increased by nearly 42.0 percent from FY 2020-21 to FY 2024-25. The Department's reappropriated funds appropriation did not account for these increased costs.

FY 2025-26 Summary

Department of Personnel: Recommended Changes for FY 2025-26

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|--|---------------|--------------|--------------|-----------------|---------------|-------|
| FY 2025-26 Appropriation | | | | | | |
| SB 25-206 (Long Bill) | \$302,473,718 | \$35,066,800 | \$27,286,866 | \$240,120,052 | \$0 | 496.0 |
| Other legislation | 136,664 | 96,607 | 0 | 40,057 | 0 | -0.1 |
| Current FY 2025-26 Appropriation | \$302,610,382 | \$35,163,407 | \$27,286,866 | \$240,160,109 | \$0 | 495.9 |
| Recommended Changes | | | | | | |
| Current FY 2025-26 Appropriation | \$302,610,382 | \$35,163,407 | \$27,286,866 | \$240,160,109 | \$0 | 495.9 |
| Printing services true-up | 1,346,940 | 0 | 0 | 1,346,940 | 0 | 0.0 |
| OAC staff for Medicaid appeals | 463,927 | 0 | 0 | 463,927 | 0 | 4.6 |
| Annual fleet supplemental true-up | -1,747,525 | 0 | 0 | -1,747,525 | 0 | 0.0 |
| Impacts driven by other agencies | -554,063 | -206,375 | -96,265 | -251,423 | 0 | 0.0 |
| Recommended FY 2025-26 Appropriation | \$302,119,661 | \$34,957,032 | \$27,190,601 | \$239,972,028 | \$0 | 500.5 |
| Recommended Increase/-Decrease from FY 2025-26 | | | | | | |
| Recommended Increase/-Decrease from FY 2025-26 | -\$490,721 | -\$206,375 | -\$96,265 | -\$188,081 | \$0 | 4.6 |
| Percentage Change | -0.2% | -0.6% | -0.4% | -0.1% | n/a | 0.9% |

Recommended Changes

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

Printing services true-up: The bill includes an adjustment to align revenue received for printing services with appropriations.

Current year: An increase of \$1.3 million reappropriated funds.

Revenue from state agencies using printing services is projected to be higher than the amount the Department is allowed to spend on providing those services. The increase aligns appropriations with anticipated revenue.

OAC staff for Medicaid appeals: The bill includes additional term-limited resources for the Office of Administrative Courts (OAC).

Current year: An increase of \$463,927 reappropriated funds and 4.6 term-limited FTE.

The additional staffing addresses an increase in Medicaid appeals cases resulting from changes to Long-term Home Health (LTHH) services. The reappropriated funds are from the Department of Health Care Policy and Financing (HCPF) and increase HCPF funding by \$463,927. This includes \$150,776 General Fund, \$81,187 from the hospital provider fee, and \$231,964 federal Medicaid funds.

Annual fleet supplemental true-up: The bill includes adjustments for state fleet vehicle leases and purchases to capture the difference between agency allocations and actual need.

Current year (DPA): A reduction of \$1.7 million reappropriated funds.

Current year (statewide): A reduction of \$4.1 million total funds, including \$1.4 million General Fund.

Impacts driven by other agencies: The bill includes a net decrease of \$0.6 million for budget actions originating 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 the budget action.

Impacts driven by other agencies

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|---------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Health, Life, and Dental supplemental | \$167,405 | \$48,147 | \$5,366 | \$113,892 | \$0 | 0.0 |
| OIT Real time billing | -681,250 | -254,522 | -101,311 | -325,417 | 0 | 0.0 |
| DPA Annual fleet supplemental | -40,218 | 0 | -320 | -39,898 | 0 | 0.0 |
| Total | -\$554,063 | -\$206,375 | -\$96,265 | -\$251,423 | \$0 | 0.0 |

Statewide Budget Impact

Employee benefits fund solvency HLD adjustment: The bill includes a statewide increase for Health, Life, and Dental (HLD) adjustments to address fund balance concerns for the Group Benefit Plans Reserve Fund.

Current year (statewide): An increase of \$14.6 million total funds, including \$8.0 General Fund.

The Fund's increased expenses are due to increased employee selection of higher cost plans, high-dollar claims, and GLP-1 medication use and costs.

Public Health and Environment – H.B. 26-1165

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.

FY 2025-26 Summary

Department of Public Health and Environment: Recommended Changes for FY 2025-26

| Item | Total Funds | General Fund [1] | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|--|---------------|------------------|---------------|-----------------|---------------|---------|
| FY 2025-26 Appropriation | | | | | | |
| SB 25-206 (Long Bill) | \$865,843,328 | \$140,447,999 | \$337,516,417 | \$63,464,208 | \$324,414,704 | 1,831.9 |
| Other Legislation | 2,926,011 | -405,406 | 3,331,417 | 0 | 0 | 21.7 |
| Current FY 2025-26 Appropriation | \$868,769,339 | \$140,042,593 | \$340,847,834 | \$63,464,208 | \$324,414,704 | 1,853.6 |
| Recommended Changes | | | | | | |
| Current FY 2025-26 Appropriation | \$868,769,339 | \$140,042,593 | \$340,847,834 | \$63,464,208 | \$324,414,704 | 1,853.6 |
| Women, infants, and children (WIC) | 7,500,000 | 7,500,000 | 0 | 0 | 0 | 0.0 |
| Lab renewal | 2,846,076 | 2,846,076 | 0 | 0 | 0 | 4.0 |
| Closed landfill remediation grant spending | 1,093,112 | 0 | 1,093,112 | 0 | 0 | 0.0 |
| Community Impact Cash Fund spending authority | 615,483 | 0 | 615,483 | 0 | 0 | 0.0 |
| Technical correction | 0 | 0 | 0 | 0 | 0 | 0.0 |
| Reduce LPHA distributions | -3,000,000 | -3,000,000 | 0 | 0 | 0 | 0.0 |
| Health disparity grant reduction | -837,627 | -837,627 | 0 | 0 | 0 | 0.0 |
| Impacts driven by other agencies | -135,557 | -260,316 | -287,448 | 53,884 | 358,323 | 0.0 |
| Recommended FY 2025-26 Appropriation | \$876,850,826 | \$146,290,726 | \$342,268,981 | \$63,518,092 | \$324,773,027 | 1,857.6 |
| Recommended Increase/-Decrease from FY 2025-26 | | | | | | |
| Recommended Increase/-Decrease from FY 2025-26 | \$8,081,487 | \$6,248,133 | \$1,421,147 | \$53,884 | \$358,323 | 4.0 |
| Percentage Change | 0.9% | 4.5% | 0.4% | 0.1% | 0.1% | 0.2% |

[1] Includes General Fund Exempt.

Recommended Changes

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

Women, infants, and children (WIC): The bill includes \$7.5 million General Fund that was approved as an interim supplemental in September 2025.

Lab renewal: The bill includes \$2.8 million General Fund and 4.0 FTE to modernize the state laboratory as well as work towards recertification for the lab's water chemistry unit. This includes:

- Three new chemistry instruments and supplies (\$571,000);
- Six staff members, including three existing chemistry unit employees (\$557,970);
- A review of historical data that may have been manipulated (\$592,106);
- A risk management/quality assurance system for the entire lab (\$500,000);
- A risk management system specifically for the chemistry section (\$75,000); and
- An asset and vendor management program for the entire lab (\$550,000).

The bill also includes a footnote that allows the Department to spend \$1,125,000 of their appropriation through the end of FY 2026-27. This amount may be spent on contractor expenses for laboratory-wide and chemistry unit risk management, quality assurance, asset management, vendor management and data integrity governance systems.

Closed landfill remediation grant spending: The bill includes an increase of \$1.1 million from the Closed Landfill Remediation Grant Fund for grants to local governments.

Community Impact Cash Fund spending authority: The bill includes an increase of \$615,483 from the Community Impact Cash Fund for environmental justice grants.

Technical correction: The bill includes technical corrections to fund source notations that do not have a budgetary impact.

Reduce Local Public Health Agency (LPHA) distributions: The bill includes a \$3.0 million General Fund reduction for LPHA distributions. About 90.0 percent of the reduction comes from local planning and support dollars.

Health disparity grant reduction: The bill includes a \$837,627 General Fund reduction for the Health Disparities and Community Grant Program.

Impacts driven by other agencies: The bill includes a net decrease of \$135,557 for budget actions originating from other state agencies. The amounts shown in the table below apply only to this department and do not necessarily reflect the total value of the budget action.

Impacts driven by other agencies

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|---------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Health, Life, and Dental supplemental | \$957,195 | \$181,964 | \$326,822 | \$90,086 | \$358,323 | 0.0 |
| OIT Real time billing | -1,030,509 | -436,940 | -563,014 | -30,555 | 0 | 0.0 |
| DPA Annual fleet supplemental | -62,243 | -5,340 | -51,256 | -5,647 | 0 | 0.0 |
| Total | -\$135,557 | -\$260,316 | -\$287,448 | \$53,884 | \$358,323 | 0.0 |

Public Safety- H.B. 26-1166

The Department is responsible for promoting public safety throughout the state.

FY 2025-26 Summary

Department of Public Safety: Recommended Changes for FY 2025-26

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|--|---------------|---------------|---------------|-----------------|---------------|---------|
| FY 2025-26 Appropriation | | | | | | |
| SB 25-206 (Long Bill) | \$779,573,555 | \$269,238,653 | \$349,549,184 | \$91,154,818 | \$69,630,900 | 2,382.8 |
| Other legislation | 8,842,927 | 3,298,605 | 5,044,322 | 0 | 500,000 | 1.2 |
| Current FY 2025-26 Appropriation | \$788,416,482 | \$272,537,258 | \$354,593,506 | \$91,154,818 | \$70,130,900 | 2,384.0 |
| Recommended Changes | | | | | | |
| Current FY 2025-26 Appropriation | \$788,416,482 | \$272,537,258 | \$354,593,506 | \$91,154,818 | \$70,130,900 | 2,384.0 |
| Comm. corr. caseload and per-diem | 1,881,650 | 1,881,650 | 0 | 0 | 0 | 0.0 |
| DTRS spending authority adjustment | 960,685 | 0 | 0 | 960,685 | 0 | 0.0 |
| Wildfire Resiliency Code enforcement | 155,134 | 0 | 102,879 | 52,255 | 0 | 1.0 |
| School construction inspection | 58,072 | 0 | 58,072 | 0 | 0 | 0.3 |
| Impacts driven by other agencies | -914,787 | -819,476 | 426,544 | -341,514 | -180,341 | 0.0 |
| Recommended FY 2025-26 Appropriation | \$790,557,236 | \$273,599,432 | \$355,181,001 | \$91,826,244 | \$69,950,559 | 2,385.3 |
| Recommended Increase/-Decrease from FY 2025-26 | | | | | | |
| | \$2,140,754 | \$1,062,174 | \$587,495 | \$671,426 | -\$180,341 | 1.3 |
| Percentage Change | 0.3% | 0.4% | 0.2% | 0.7% | -0.3% | 0.1% |

Recommended Changes

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

Community corrections caseload and per-diem: The bill includes \$1.9 million General Fund for community corrections caseload adjustments.

DTRS spending authority adjustment: The bill includes \$1.0 million reappropriated funds from the Public Safety Communications Revolving Fund for program costs related to the state's Digital Trunked Radio System (DTRS).

Wildfire Resiliency Code enforcement: The bill includes \$155,134 from the Wildfire Resiliency Code Board Cash Fund and 1.0 FTE for enforcement activity related to the Wildfire Resiliency Code.

School construction inspection: The bill includes \$58,072 from the School Construction Inspection Cash Fund and 0.3 FTE for increased workload due to an increase in school construction.

Impacts driven by other agencies: The bill includes a net decrease of \$0.9 million total funds, including a decrease of \$0.8 million General Fund, for requests from other state agencies. The amounts shown in the table below apply only to this department and do not necessarily reflect the total value of the budget action.

Impacts driven by other agencies

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|---------------------------------------|-------------------|-------------------|------------------|-------------------|-------------------|------------|
| Health, Life, and Dental supplemental | \$829,047 | \$117,872 | \$611,366 | \$98,025 | \$1,784 | 0.0 |
| OIT Real time billing | -1,252,853 | -668,184 | -113,956 | -470,713 | 0 | 0.0 |
| DPA Annual fleet supplemental | -490,981 | -269,164 | -70,866 | 31,174 | -182,125 | 0.0 |
| Total | -\$914,787 | -\$819,476 | \$426,544 | -\$341,514 | -\$180,341 | 0.0 |

Regulatory Agencies – H.B. 26-1167

The Department of Regulatory Agencies (DORA) is responsible for consumer protection, which is carried out through regulatory programs that license, establish standards, approve rates, and investigate complaints.

FY 2025-26 Summary

Department of Regulatory Agencies: Recommended Changes for FY 2025-26

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|--|---------------|--------------|---------------|-----------------|---------------|-------|
| FY 2025-26 Appropriation | | | | | | |
| SB 25-206 (Long Bill) | \$142,074,974 | \$3,114,582 | \$129,281,319 | \$7,623,434 | \$2,055,639 | 730.6 |
| Other legislation | -3,429,668 | 0 | -3,429,668 | 0 | 0 | -2.0 |
| Current FY 2025-26 Appropriation | \$138,645,306 | \$3,114,582 | \$125,851,651 | \$7,623,434 | \$2,055,639 | 728.6 |
| Recommended Changes | | | | | | |
| Current FY 2025-26 Appropriation | \$138,645,306 | \$3,114,582 | \$125,851,651 | \$7,623,434 | \$2,055,639 | 728.6 |
| Workshare for CCRD | 630,000 | 630,000 | 0 | 0 | 0 | 0.0 |
| Technical letternote adjustment | 0 | 0 | 0 | 0 | 0 | 0.0 |
| Impacts driven by other agencies | -211,902 | 8,477 | -249,889 | 24,204 | 5,306 | 0.0 |
| Recommended FY 2025-26 Appropriation | \$139,063,404 | \$3,753,059 | \$125,601,762 | \$7,647,638 | \$2,060,945 | 728.6 |
| Recommended Increase/-Decrease from FY 2025-26 | | | | | | |
| Percentage Change | 0.3% | 20.5% | -0.2% | 0.3% | 0.3% | 0.0% |

Recommended Changes

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

Workshare for CCRD: The bill includes \$630,000 General Fund to the Colorado Civil Rights Division. This funding replaces workshare funding from the U.S. Department of Housing and Urban Development that has not been received.

Technical letternote adjustment: The bill includes a budget neutral fund source correction.

Impacts driven by other agencies: The bill includes a net decrease of \$0.2 million for budget actions originating from other state agencies. The amounts shown in the table below apply only to this department and do not necessarily reflect the total value of the budget action.

Impacts driven by other agencies

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|---------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Health, Life, and Dental supplemental | \$896,909 | \$8,477 | \$858,922 | \$24,204 | \$5,306 | 0.0 |
| OIT Real time billing | -906,299 | 0 | -906,299 | 0 | 0 | 0.0 |
| DPA Annual fleet supplemental | -202,512 | 0 | -202,512 | 0 | 0 | 0.0 |
| Total | -\$211,902 | \$8,477 | -\$249,889 | \$24,204 | \$5,306 | 0.0 |

Revenue – H.B. 26-1168

The Department has three functional groups: the Taxation Business Group collects revenue for the state and for many local governments and assists taxpayers in tax-related matters; the Division of Motor Vehicles regulates motor vehicle safety, issues personal identification documents, and regulates commercial vehicles; and the Specialized Business Group regulates alcohol, tobacco, marijuana, horse racing and off-track betting, sports betting, limited gaming, and automobile dealers and sales persons. The Department also operates the State Lottery, a TABOR-exempt enterprise supported by lottery ticket sales.

FY 2025-26 Summary

Department of Revenue: Recommended Changes for FY 2025-26

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|--|---------------|---------------|---------------|-----------------|---------------|---------|
| FY 2025-26 Appropriation | | | | | | |
| SB 25-206 (Long Bill) | \$557,041,568 | \$154,621,461 | \$392,122,764 | \$9,445,211 | \$852,132 | 1,817.2 |
| Other legislation | 264,517 | 314,520 | -50,003 | 0 | 0 | 2.1 |
| Current FY 2025-26 Appropriation | \$557,306,085 | \$154,935,981 | \$392,072,761 | \$9,445,211 | \$852,132 | 1,819.3 |
| Recommended Changes | | | | | | |
| Current FY 2025-26 Appropriation | \$557,306,085 | \$154,935,981 | \$392,072,761 | \$9,445,211 | \$852,132 | 1,819.3 |
| Impacts driven by other agencies | 96,533 | 20,205 | 73,348 | 2,980 | 0 | 0.0 |
| General Fund reductions | -637,500 | -637,500 | 0 | 0 | 0 | 0.0 |
| Recommended FY 2025-26 Appropriation | \$556,765,118 | \$154,318,686 | \$392,146,109 | \$9,448,191 | \$852,132 | 1,819.3 |
| Recommended Increase/-Decrease from FY 2025-26 | -\$540,967 | -\$617,295 | \$73,348 | \$2,980 | \$0 | 0.0 |
| Percentage Change | -0.1% | -0.4% | 0.0% | 0.0% | 0.0% | 0.0% |

Recommended Changes

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

Impacts driven by other agencies: The bill includes a net increase of \$96,533 for budget actions originating from other state agencies. The amounts shown in the table below applies only to this department and does not necessarily reflect the total value of the budget action.

Impacts driven by other agencies

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|--------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Health, Life, and Dental | \$593,502 | \$200,744 | \$389,778 | \$2,980 | \$0 | 0.0 |
| OIT Real time billing | -302,932 | -154,344 | -148,588 | 0 | 0 | 0.0 |
| DPA Annual fleet | -194,037 | -26,195 | -167,842 | 0 | 0 | 0.0 |

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|-------|-------------|--------------|------------|-----------------|---------------|-----|
| Total | \$96,533 | \$20,205 | \$73,348 | \$2,980 | \$0 | 0.0 |

General Fund reductions: The bill includes a decrease of \$637,500 General Fund in various line items across the Executive Director’s Office and Division of Motor Vehicles.

The Department states that these budget reductions can be absorbed through vacancy savings, employee attrition, the suspension of professional development programs, and decreased discretionary spending on items like computer upgrades for employees. Below are the specific line items impacted:

- \$250,000 reduction to Personal Services in the Executive Director’s Office
- \$125,000 reduction to Operating Expenses in the Executive Director’s Office
- \$125,000 reduction to Leased Space in the Executive Director’s Office
- \$137,500 reduction to Operating Expenses in the Division of Motor Vehicles

State – H.B. 26-1169

The Secretary of State is the chief election official for the State of Colorado. The Department of State (CDOS) is broadly responsible for overseeing elections, registering businesses, and publishing public records.

FY 2025-26 Summary

Department of State: Recommended Changes for FY 2025-26

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|--|--------------|--------------|--------------|-----------------|---------------|-------|
| FY 2025-26 Appropriation | | | | | | |
| SB 25-206 (Long Bill) | \$48,252,479 | \$4,254 | \$48,248,225 | \$0 | \$0 | 173.4 |
| Other legislation | 710,592 | 0 | 710,592 | 0 | 0 | 1.0 |
| Current FY 2025-26 Appropriation | \$48,963,071 | \$4,254 | \$48,958,817 | \$0 | \$0 | 174.4 |
| Recommended Changes | | | | | | |
| Current FY 2025-26 Appropriation | \$48,963,071 | \$4,254 | \$48,958,817 | \$0 | \$0 | 174.4 |
| Additional legal resources | 87,218 | 0 | 87,218 | 0 | 0 | 0.4 |
| Impacts driven by other agencies | -84,217 | 0 | -84,217 | 0 | 0 | 0.0 |
| Recommended FY 2025-26 Appropriation | \$48,966,072 | \$4,254 | \$48,961,818 | \$0 | \$0 | 174.8 |
| Recommended Increase/-Decrease from FY 2025-26 | | | | | | |
| | \$3,001 | \$0 | \$3,001 | \$0 | \$0 | 0.4 |
| Percentage Change | 0.0% | 0.0% | 0.0% | n/a | n/a | 0.2% |

Recommended Changes

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

Additional legal resources: The bill includes \$87,218 from the Department of State Cash Fund and 0.4 FTE for a senior executive to provide high-level legal services for the Department. The Department's litigation and records requests have increased, creating a need for more legal support.

Impacts driven by other agencies: The bill includes a net decrease of \$84,217 for requests from other state agencies. The amounts shown in the table below applies only to this department and does not necessarily reflect the total value of the budget action.

Impacts driven by other agencies

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|---------------------------------------|-------------|--------------|------------|-----------------|---------------|-----|
| Health, Life, and Dental supplemental | \$71,572 | \$0 | \$71,572 | \$0 | \$0 | 0.0 |
| OIT Real time billing | -154,826 | 0 | -154,826 | 0 | 0 | 0.0 |
| DPA Annual fleet supplemental | -963 | 0 | -963 | 0 | 0 | 0.0 |
| Total | -\$84,217 | \$0 | -\$84,217 | \$0 | \$0 | 0.0 |

Capital Construction – H.B. 26-1172

The capital construction section of the Long Bill includes funding appropriated to state departments and institutions of higher education for controlled maintenance, capital renewal and recapitalization, and capital expansion. Capital construction appropriations are typically supported by General Fund transferred to the Capital Construction Fund (CCF).

FY 2022-23 Recommended Changes

Community College of Denver – Boulder Creek Building remodel and addition: The bill includes \$7.5 million from institutional sources and an extension of spending authority through FY 2026-27 for the Boulder Creek Building Remodel and Addition project.

Department of Corrections – East Cañon City Prison Complex Water tank repair and replacement: The bill includes an increase of \$446,212 cash funds for the ECCPC Water tank repair and replacement project. The project includes the purchase of a 1.63 million gallon steel water tank and the repair of an existing 1.60 million gallon water tank to increase potable water storage capacity and comply with fire suppression code requirements. Cash funds are from the federal Coronavirus State Fiscal Recovery Fund, refinanced by the General Fund.

Department of Corrections – Buena Vista Sanitary sewer line replacement: The bill includes a decrease of \$446,212 cash funds for the Buena Vista sanitary sewer line replacement project. The project is substantially complete and under budget. Cash funds are from the federal Coronavirus State Fiscal Recovery Fund, refinanced by the General Fund.

FY 2024-25 Recommended Changes

Colorado Mesa University (CMU) – Performing Arts Center expansion and renovation: The bill includes an additional \$1.0 million from institutional cash funds for the Performing Arts Center expansion and renovation project. The increase will allow CMU to complete additional deferred maintenance projects while the Moss Performing Arts Center is already offline for the ongoing renovation.

Information Technology Capital Projects– H.B. 26-1173

The Information Technology Projects (IT Capital) section of the Long Bill includes funding for state departments and institutions of higher education for information technology capital projects. Capital construction is 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 requests and makes IT capital funding recommendations to the Joint Budget Committee.

FY 2024-25 Recommended Changes

MSU - Reimagining the Campus Digital Experience: The bill includes an increase of \$2.5 million cash funds from Metropolitan State University’s reserve fund for final implementation of the upgraded student information system.

Reimagining Colorado’s benefit eligibility system: The bill includes a reduction of \$16.5 million total funds, including \$3.7 million Capital Construction Fund, for the “Leveraging Technology for Seamless Human Services Delivery” project in the Department of Human Services (DHS). The bill reallocates these funds to phase I of a project to develop a benefit eligibility system.

FY 2025-26 Summary

Information Technology Projects: Recommended Changes for FY 2025-26

| Item | Total Funds | General Fund/CCF | Cash Funds | Reapprop. Funds | Federal Funds |
|---|---------------------|---------------------|---------------------|--------------------|---------------------|
| FY 2025-26 Appropriation | | | | | |
| SB 25-206 (Long Bill) | \$73,891,227 | \$34,541,285 | \$21,954,666 | \$3,634,037 | \$13,761,239 |
| Total | \$73,891,227 | \$34,541,285 | \$21,954,666 | \$3,634,037 | \$13,761,239 |
| Recommended Changes | | | | | |
| Current FY 2025-26 Appropriation | \$73,891,227 | \$34,541,285 | \$21,954,666 | \$3,634,037 | \$13,761,239 |
| Reimagining Colorado's Benefit Eligibility System | 19,462,080 | 7,363,145 | 0 | 0 | 12,098,935 |
| CCIC FBI Compliance Upgrade | 735,000 | 0 | 735,000 | 0 | 0 |
| Recommended FY 2025-26 Appropriation | \$94,088,307 | \$41,904,430 | \$22,689,666 | \$3,634,037 | \$25,860,174 |
| Recommended Change to FY 2025-26 | \$20,197,080 | \$7,363,145 | \$735,000 | \$0 | \$12,098,935 |
| Percentage Change | 27.3% | 21.3% | 3.3% | 0.0% | 87.9% |

Recommended Changes

Reimagining Colorado's Benefit Eligibility System: The bill includes an increase of \$19.5 million total funds to DHS, including \$7.4 million Capital Construction Fund, for the development of a benefit eligibility system. This will replace the Colorado Benefit Management System. These costs have been offset by:

- A \$16.5 million reduction, eliminating the FY 2024-25 "Reimagining Colorado's Benefit Eligibility System" project described above; and
- A total \$3.6 million reduction to the Department's FY 2025-26 and FY 2026-27 operating budgets.

Colorado Crime Information Center (CCIC) FBI Compliance Upgrade: The bill includes an increase of \$735,000 from the CBI Identification Unit Fund for updating systems to meet Federal National Information Exchange Model (NIEM) standards. The Department expects this project to be completed by the end of FY 2026-27.

House Bill 26-1174: School Finance Mid-year Adjustments

Concerning adjustments to school funding for the 2025-26 budget year, and, in connection therewith, reducing an appropriation.

Prime Sponsors

Representatives Brown and Taggart; Senators Amabile and Kirkmeyer

Bill Summary

The bill makes changes to school finance (total program) funding for FY 2025-26 to account for the actual funded pupil count, at-risk pupil count, and local revenues available for school finance in the current year.

- The funded pupil count and at-risk pupil count are lower than anticipated in the original FY 2025-26 appropriation. After accounting for actual counts in all school districts and institute charter schools, total program funding is \$33.5 million lower than estimated in the original appropriation.
- The local share is \$69.9 million higher than anticipated in the original appropriation.
- Based on those changes, the bill decreases appropriations for the state share of districts' total program funding by \$103.5 million.

The table below details relevant school finance data for FY 2024-25 and FY 2025-26. The far-right column identifies the mid-year changes for FY 2025-26 compared to the original FY 2025-26 appropriation.

Changes to School Finance Based on Actual Enrollment and Local Share

| Item | FY 2024-25 Final Appropriation | Data Used for Initial FY 2025-26 Appropriation | Revised Data for FY 2025-26 Appropriation | Mid-year Change |
|--|-----------------------------------|--|---|-----------------------|
| Funded Pupil Count | 853,934 | 845,943 | 841,862 | -4,081 |
| <i>Annual Percent Change</i> | -0.7% | -0.9% | -1.4% | |
| At-risk Pupil Count | 387,772 | 387,431 | 384,013 | -3,418 |
| <i>Annual Percent Change</i> | -2.0% | -0.1% | -1.0% | |
| Statewide Base Per Pupil Funding | \$8,496 | \$8,692 | \$8,692 | \$0 |
| <i>Annual Percent Change</i> | 5.2% | 2.3% | 2.3% | |
| Total Program Funding | \$9,778,950,899 | \$10,031,606,091 | \$9,998,058,063 | -\$33,548,028 |
| Statewide Average Per Pupil Funding | \$11,452 | \$11,858 | \$11,876 | \$18 |
| Local Share of Districts' Total Program Funding | \$4,186,738,872 | \$4,563,359,211 | \$4,633,283,691 | \$69,924,480 |
| <i>Annual Percent Change</i> | 0.2% | 9.0% | 10.7% | |
| State Share of Districts' Total Program Funding | \$5,592,212,027 | \$5,468,246,880 | \$5,364,774,372 | -\$103,472,508 |
| <i>Annual Percent Change</i> | 11.9% | -2.2% | -4.1% | |

Specifically, this bill makes the following changes:

- Section 1 is a non-statutory legislative declaration concerning public school finance for FY 2025-26.
- Section 2 decreases the statutory total program funding “floor” for FY 2025-26 to \$9,998.1 million. This is the amount necessary to fully fund the school finance formula in the current fiscal year.
- Section 3 makes a statutory change related to hold harmless provisions for the phase-in of the new school finance formula. For FY 2025-26 only, if a district’s total program calculation under the new formula is less than the calculation under the old formula, then that district’s total program for FY 2025-26 is the greater of its FY 2024-25 total program amount or the amount calculated for FY 2025-26 under the old formula.
- Section 4 is an appropriations clause that decreases the State Share of Districts’ Total Program Funding and Extended High School by \$103.5 million from the State Education Fund. This section also adjusts an FY 2025-26 Long Bill footnote to reflect actual usage of the Teacher Recruitment Education and Preparation (TREP) program.
- Section 5 is a safety clause to ensure that the changes in the bill take effect as soon as the bill is signed into law.

Fiscal Impact

This bill makes mid-year statutory adjustments related to school funding for FY 2025-26 as described above. The bill includes an appropriation clause decreasing the State Share of Districts’ Total Program Funding by \$100.0 million and Extended High School by \$3.5 million from the State Education Fund.

Background Information

While the applicable inflation rate is known at the time of the Long Bill appropriation for school finance, other data that affect funding for public school finance are not known. The initial appropriation is based on estimates of the funded pupil count, the number of at-risk students, and available local tax revenues. Subsequently, school districts conduct a student count in October, county assessors and the State Board of Equalization certify the total valuation for assessment of all taxable property, and school district boards certify the district’s mill levy for school finance. By early January, school districts have finalized these data and the Department of Education has compiled the information. The Department annually submits a supplemental request to make mid-year appropriation adjustments based on the actual data.

House Bill 26-1175: State Ed Fund READ Act & Colorado Teacher of the Year Program

Concerning spending from the state education fund for specified educational purposes, and, in connection therewith, permitting appropriations from the state education fund for the Colorado teacher of the year program, requiring appropriations from the state education fund for specified purposes in support of the "Colorado READ Act", discontinuing annual transfers to cash funds from the state education fund for the same, and repealing the cash funds.

Prime Sponsors

Representatives Brown and Sirota; Senators Bridges and Kirkmeyer

Bill Summary

Under existing law, \$34,000,000 is transferred annually from the State Education Fund to the Early Literacy Fund and \$24,800 is transferred annually from the State Education Fund to the Colorado Teacher of the Year Fund.

This bill eliminates the annual transfers and instead authorizes annual appropriations from the State Education Fund for the same purposes. The General Assembly must appropriate at least \$34,000,000 from the State Education Fund for the programs that previously received appropriations from the Early Literacy Fund.

The bill transfers balances in the Early Literacy Fund and Colorado Teacher of the Year Fund to the State Education Fund. Most funds are transferred July 1, 2026. Exceptions are:

- Funds in the Colorado Teacher of the Year Fund that came from donations.
- Funds authorized for expenditure through FY 2026-27 in the Early Literacy Fund.

The bill transfers any money remaining in the funds to the State Education Fund on August 31, 2027. The funds are repealed September 1, 2027.

Fiscal Impact

Any fiscal impact is assumed to be minimal, since the bill replaces the annual transfer to the Early Literacy Fund with a minimum appropriation of the same amount. The final impact depends on FY 2026-27 and future appropriations made by the General Assembly and Department of Education spending from the Early Literacy and Teacher of the Year cash funds prior to their repeal.

Background Information

Early Literacy: The Executive Request is for \$35.5 million cash funds spending authority from the Early Literacy Fund for early literacy programs in FY 2026-27. Under current law, the General Assembly could appropriate more or less than this amount from the Early Literacy Fund for FY 2026-27, depending on funds available from the annual \$34.0 million State Education Fund transfer and other sources.

If this bill is adopted, the General Assembly must appropriate at least \$34.0 million from the State Education Fund for the same purposes, but may appropriate more.

Teacher of the Year: There is currently no annual appropriation for the Teacher of the Year Program, because money in the Teacher of the Year Fund is continuously appropriated to the Department of Education. For FY 2026-27, the General Assembly could provide a State Education Fund appropriation for the Teacher of the Year Program that is equal to the current \$24,800 transfer or it could appropriate a different amount.

Fund balances: The bill is expected to result in transfers of \$0 to \$1.5 million to the State Education Fund, depending upon whether the Early Literacy Fund and Teacher of the Year Fund balances that are subject to transfer are fully expended in FY 2025-26 and FY 2026-27. If there are transfers, most will occur July 1, 2026.

House Bill 26-1176: Modify Fourth-year Innovation Pilot Program

Concerning modifications to the fourth-year innovation pilot program, and, in connection therewith, reducing an appropriation.

Prime Sponsors

Representatives Sirota and Taggart; Senators Bridges and Amabile

Bill Summary

The Fourth-Year Innovation Pilot Program incentivizes early graduation from high school for qualified low-income students at pilot sites. Under current law, the program is in effect for students who graduate early at participating schools between FY 2021-22 and FY 2025-26. Participating local education providers receive \$1,371 for every qualified student who graduates early, and qualifying students may claim a scholarship of up to \$2,468 if they graduate one semester early or \$4,113 if they graduate a full year early and commence postsecondary education within 18 months.

This bill makes the following changes to the program:

- Discontinues payments to local education providers for eligible students who graduate during the 2025-26 school year.
- Requires the Department of Education to prorate the amount distributed to local education providers for students who graduated early prior to FY 2025-26, based on available appropriations.
- For students graduating early in FY 2025-26, requires students to commence postsecondary education by December 31, 2026.
- Requires the Department of Higher Education to complete all scholarship distributions to postsecondary institutions by the close of FY 2026-27.
- Repeals a requirement that the Department of Higher Education prepare a final program evaluation.

Fiscal Impact

The bill reduces required state expenditures by \$262,679 General Fund in FY 2025-26, an estimated \$662,164 General Fund in FY 2026-27, and an estimated \$100,000 General Fund in FY 2027-28. This includes the following appropriations and appropriations that would otherwise be required.

- The bill includes an appropriation clause that reduces the FY 2025-26 appropriation to the Department of Higher Education by \$30,958 General Fund and 0.3 FTE to eliminate the required program evaluation.

- In the Department of Education, the bill reduces state expenditures (appropriations that would otherwise be required) by \$231,721 General Fund in FY 2025-26 and \$562,164 in FY 2026-27 for incentive payments to local education providers.
- In the Department of Higher Education, the bill reduces state expenditures (appropriations that would otherwise be required) for scholarships by approximately \$100,000 General Fund in FY 2026-27, reducing the total from \$260,000 to approximately \$160,000.
- The bill also eliminates the need for appropriations for scholarships and staff support in the Department of Higher Education in FY 2027-28, providing savings of approximately \$100,000.

Background Information

In the absence of the bill (under current law and based on current utilization), this program requires General Fund appropriations of \$950,681 in FY 2025-26, including:

- \$618,330 for local education provider incentives
- \$260,000 for student scholarships
- \$41,393 and 0.7 FTE for ongoing administration (plus centrally-appropriated amounts)
- \$30,958 and 0.3 FTE for one-time evaluation costs.

If this bill is adopted, the FY 2025-26 program cost will be reduced to \$688,002.

Program costs in FY 2026-27 are projected to be \$863,557 under current law. This cost could increase if there are more students who graduate early in FY 2025-26, increasing payments to local education providers, or more students who choose to claim scholarships. These students may claim scholarships in FY 2026-27 and FY 2027-28. If this bill is adopted, the FY 2026-27 program cost is estimated to be \$201,393.

Program costs for FY 2027-28 are estimated at roughly \$100,000 under current law, including scholarship and administrative expenses in the Department of Higher Education.

The amount of incentive payments to schools for students who graduate early has increased annually. However, only a small share of qualified students at pilot locations have claimed a scholarship.

- Under current law, payments to local education providers are due in FY 2025-26 for 410 students who graduated early in FY 2024-25.
- Since the program's inception, only 22.0 percent of the students who have graduated early have claimed a scholarship.

House Bill 26-1177: End Nursing Provider Wage Enhancement Payments

Concerning ending wage enhancement supplemental payments to nursing home providers, and, in connection therewith, reducing an appropriation.

Prime Sponsors

Representatives Brown and Taggart; Senators Amabile and Kirkmeyer

Bill Summary

The bill ends early a supplemental payment to nursing facilities that commit to pay all employees at least \$15 per hour. Under current law, the Department of Health Care Policy and Financing would need to make the payments until the statewide minimum wage exceeds \$15 per hour. As of January 2026, the statewide minimum wage is \$15.16 per hour. The bill instructs the Department not to make the payments in FY 2025-26, even if the services were provided prior to January 2026.

Fiscal Impact

The bill reduces the FY 2025-26 appropriation for the Department of Health Care Policy and Financing by \$8.7 million total funds, including \$4.4 million General Fund. The bill reduces projected expenditures in future years by the same amount.

Background Information

Originally, the supplemental payment went to nursing facilities impacted by local minimum wage requirements. House Bill 19-1210 required supplemental payments when a nursing facility had to comply with a local minimum wage or was located nearby and chose to match the minimum wage. House Bill 22-1333 changed the supplemental payment so that any nursing facility statewide that paid employees at least \$15 per hour could qualify. Only 3 nursing facilities did not claim the supplemental payment in calendar year 2024.

The proposed reduction is approximately 0.85% of total projected Medicaid reimbursement to nursing homes. The impacted nursing homes will see reductions ranging from 0.3 percent to 1.7 percent.

House Bill 26-1178: Expenditures in Excess of Appropriations

Concerning the Controller's allowance of expenditures in excess of appropriations.

Prime Sponsors

Representatives Brown and Sirota; Senators Amabile and Kirkmeyer

Bill Summary

The bill authorizes the State Controller to approve overexpenditures through the interim supplemental process in anticipation of a lapse in federal funding if the Joint Budget Committee determines that the lapse in funding is reasonably likely to occur while the General Assembly is not meeting in regular or special session. The bill also allows the Joint Budget Committee to introduce the necessary supplemental bill with an appropriation less than or equal to the amount initially approved through the interim supplemental process. For example, if the Committee approves an overexpenditure of \$10.0 million but then learns that the Department only required \$7.0 million, the bill would authorize the Committee to introduce the supplemental bill with an appropriation of \$7.0 million. Current law requires introduction of a bill with an appropriation for the entire initial authorization. Finally, the bill clarifies that the Department's overexpenditure authority is limited by the appropriation approved by the General Assembly rather than the initial amount approved by the Committee.

Fiscal Impact

The bill requires no change to appropriations but may allow for additional interim supplemental approvals in the future under the conditions outlined in the bill.

Background Information

Under current law, the controller may allow an overexpenditure of an existing appropriation if the overexpenditure is necessary due to an unforeseen circumstance that has already occurred when the Joint Budget Committee considers the request. This is generally known as a "1331" or "interim supplemental." This bill would adjust that process to allow the Joint Budget Committee to approve requests in anticipation of a lapse in federal funding if the Committee determines that the lapse is reasonably likely.

House Bill 26-1179: General Fund Transfer to the IT Capital Account

Concerning a Transfer for State Fiscal Year 2025-26 from the General Fund to the Information Technology Capital Account of the Capital Construction Fund.

Prime Sponsors

Representatives Sirota and Taggart; Senators Bridges and Kirkmeyer

Bill Summary

On April 1, 2026, the bill transfers \$3,646,420 from the General Fund to the Information Technology Capital Account of the Capital Construction Fund to balance the account for supplemental appropriations

Fiscal Impact

The bill transfers \$3.6 million from the General Fund to the Information Technology Capital Account of the Capital Construction Fund.

Background Information

The Joint Budget Committee approved an IT Capital project for the Department of Human Services. The goal of the project is to develop a new, modular benefits eligibility system to replace the Colorado Benefits Management System.

A decrease of \$3.6 million General Fund in the Department of Human Services offsets these costs. This reduction is split evenly across FY 2025-26 and FY 2026-27.