



Memorandum

To: Members of the Joint Budget Committee
From: Scott Philip Thompson, JBC Staff (303-866-4957)
Date: March 13, 2026
Subject: Legal Services Common Policy Rate and Statewide Allocations

Legal Services Common Policy

→ Legal Services Common Policy Rate and Statewide Allocations

Request

Annually the Department requests adjustments to the legal rate charged to client agencies, which is used to calculate the final Legal Services appropriations in each state agency based on the average number of legal service hours utilized over the prior three-year period.

On February 5, 2026, the Committee acted on the Department of Law's budget request, including funding for personal services and operating expenses for the Legal Services to State Agencies (LSSA) section of the Long Bill. The Committee has not acted on compensation common policies, which can have a significant impact to the legal services rate.

To calculate the appropriation to each state agency for the purchase legal services, and the corresponding appropriations to the Department of Law to receive and expend such payments, the Committee needs to approve an hourly legal services rate for FY 2026-27. These rates multiplied by the three-year average hours of legal services provided determines the final appropriations for each agency or program, a recommendation for which is also included in this document.

Recommendation

To date, the Committee has **not** taken action on all common policies that impact the determination of the legal services rate. Future actions on other common policy decisions may impact legal services rates significantly enough to warrant an adjustment to this staff recommendation. Staff is presenting a recommendation based on most recent Committee action. Staff requests permission to adjust the rate in the event future changes are *de*

minimus, but should the rate change significantly, staff will return with updated calculations and recommendations. Staff welcomes input from the Committee on what it considers *de minimus* in this circumstance.

To calculate appropriations for legal services line items statewide, JBC Staff recommends the Committee approve the following rates for FY 2026-27.

FY 2026-27 Recommended Legal Services Rates

Attorney rate (see Table 3)	\$146.05
Legal Assistance Rate (see Table 3)	98.03
Blended rate (see Table 4)	138.82

These rates will also be included in the final footnote that details the General Assembly’s intent on legal service rates, which the Committee will review with the other Footnotes.

Calculation of the Legal Services Billing Rates

Once the cost of operating the LSSA section has been determined through figure setting, this cost must be translated into billing rates that will cover the estimated costs. Appropriations for legal services are calculated using one uniform rate for attorneys and another uniform rate for legal assistants. Staff and the Department calculate these rates as separate components:

1. An "attorney" component that covers the salaries and the associated Public Employees' Retirement Association (PERA) and Medicare expenses for the attorneys who supply the legal;
2. A "legal assistant" component that covers the salaries and the associated PERA and Medicare expenses for legal assistants who supply the legal services; and
3. A "common" component that covers other expenses of the LSSA section, including administrative support staff, the Deputy Attorneys Generals that are funded through the LSSA section and supervise groups of attorneys, operating and litigation expenses, licensing fees, and various other centrally appropriated line items (e.g., Carr Center leased space, employee health benefit expenses, etc.) not included in the personnel costs in the first two components.

The following two tables (1 and 2) compute these components.

Table 1: Attorney and Legal Assistance Components of the Legal Services Rates

Position Type	A= Salary and Related Costs	B= Hours Billed	A ÷ B = Rate for Component
Attorneys	\$47,639,853	513,119	\$92.84
Legal Assistants	4,664,870	82,865	56.30
Total Billable Hours		595,984	

Table 2: Common Component of the Legal Services Rate

Descriptions	Amount
Total cost of operating the LSSA section	\$81,393,888
Less Salary and related cost of attorneys	-47,639,853
Less Salary and related cost of legal assistants	-4,664,870
A = Common costs	\$29,089,165

Descriptions	Amount
B = Total Hours Billed	595,984
A ÷ B = Common component of hourly rate	\$48.81

The total cost of the LSSA section includes allocations of centrally appropriated items, as well as indirect cost recoveries collected by the LSSA section. The recommended change for the common component is \$1.36 higher than FY 2024-25, or a 2.9 percent change.

The hourly legal rates thus computed as follows:

Table 3: Calculation of Hourly Legal Rates

Attorney component (see Table 1)	\$92.84
Plus Common component (see Table 2)	48.81
Hourly Attorney Rate	\$141.65
Legal Assistant component (See Table 1)	\$56.30
Plus Common component (see Table 2)	48.81
Hourly Legal Assistant Rate	\$105.11

This compares to the FY 2025-26 attorney rate of \$146.05 (3.0 percent decrease) and the legal assistant rate of \$98.03 (7.2 percent increase).

The blended legal rate, which is used to convert the estimated hours to be billed into recommended appropriations for the Long Bill, is calculated using total recommended appropriations and total hours billed:

Table 4: Calculation of Blended Legal Rate

Total LSSA Section Appropriation	\$81,393,888
÷ Total Hours Billed	595,984
= Blended Legal Rate	\$136.57

The blended legal rate for FY 2026-27 represents a decrease of \$2.25 per hour (1.6 percent decrease) compared to the FY 2025-26 blended legal rate of \$138.82.

Approving JBC staff recommendation will result in the follow amounts being allocated through the Long Bill Legal Services line items. The amounts below are the TOTAL amounts appropriated to the line items in each agency, not the incremental change between FY 2025-26 and FY 2026-27. While the final General Fund impact will be included in the JBC Staff Director’s next General Fund Overview, it is estimated that 37.4 percent of statewide legal services appropriations originate as General Fund.

Table 5: Recommended Legal Services Allocation by Agency

Long Bill Department	Client Agency	FY 2025-26 Total Funds Recommendation
Agriculture	Agriculture and State Fair	\$1,280,338
Corrections	Corrections	3,741,449
Early Childhood	Early Childhood	1,485,512
Education	Education	1,443,375
Governor	Governor’s Office	2,324,988
Governor	Governor’s Energy Office, Legal Services	1,752,848
Governor	Governor’s Energy Office enterprise	11,397

Long Bill Department	Client Agency	FY 2025-26 Total Funds Recommendation
Governor	Office of Information Technology	339,670
Health Care Policy and Financing	Health Care Policy and Financing	4,770,716
Human Services	Human Services	5,338,715
Judicial	Judicial	511,287
Judicial	Alternate Defense Council	43,850
Judicial	Bridges of Colorado	83,301
Judicial	Child Protection Ombudsmen	79,302
Judicial	Child Representation	0
Judicial	Independent Ethics Commission	152,508
Judicial	Attorney Regulation Counsel	48,277
Judicial	Public Defender	110,684
Judicial	Office of the Public Guardianship	57,171
Judicial	Respondent Parents' Counsel	65,142
Judicial	Office of Administrative Services for Independent Agencies	26,698
Labor and Employment	Labor and Employment	2,483,658
Law	Law	373,073
Legislature	General Assembly	8,527
Local Affairs	Local Affairs	1,112,661
Military and Veterans Affairs	Military and Veterans Affairs	80,221
Natural Resources	Natural Resources	8,456,173
Personnel	Personnel and Administration	925,050
Personnel	Personnel Board	34,806
Personnel	Risk Management and Workers Compensation	10,593,560
Public Health and Environment	Public Health and Environment	6,335,898
Public Safety	Public Safety	1,252,938
Regulatory Agencies	Regulatory Agencies	17,847,506
Revenue	Revenue	5,654,544
State	State	817,829
Transportation	Transportation	3,428,561
Treasury	Treasury	307,120
Total		\$83,379,353

Table 6: Recommended Legal Services Allocation by Higher Ed Agency

Long Bill Department	Client Agency	FY 2025-26 Total Funds Recommendation
Allocations that appear in Long Bill		
Higher Education	Commission on Higher Education	\$64,536
Higher Education	State Historical Society of Colorado	63,403
Higher Education	Private Vocational Schools	158,773
Allocations that do not appear in the Long Bill		
Higher Education	Arapahoe Community College	0
Higher Education	Adams State University	89,092
Higher Education	Auraria Higher Education Center	143,463
Higher Education	Board of Governors	0
Higher Education	Aurora Community College	0
Higher Education	Community College of Denver	33,779
Higher Education	CCCOES	838
Higher Education	Colorado State University	208,396
Higher Education	University of Colorado - Boulder	327,749

Long Bill Department	Client Agency	FY 2025-26 Total Funds Recommendation
Higher Education	University of Colorado - Denver	0
Higher Education	University of Colorado - Health Science	1,538
Higher Education	State Colleges Employee Disability Insurance Trust	16,634
Higher Education	Fort Lewis College	74,077
Higher Education	Front Range Community College	0
Higher Education	College Assist	0
Higher Education	Institute of Cannabis Research	4,613
Higher Education	Lamar Community College	0
Higher Education	Metropolitan State University of Denver	0
Higher Education	Colorado School of Mines	53,551
Higher Education	Colorado Mesa University	118,417
Higher Education	University of Northern Colorado	112,686
Higher Education	Northwestern Community College	0
Higher Education	Collegeinvest	839
Higher Education	Otero Junior College	0
Higher Education	Auraria Parking Enterprise	0
Higher Education	Pikes Peak Community College	35,187
Higher Education	Pueblo Community College	0
Higher Education	Red Rocks Community College	25,308
Higher Education	Colorado State University - Pueblo	0
Higher Education	Colorado Scholarship Initiative	0
Higher Education	Trinidad State Junior College	0
Higher Education	Western State Colorado University	209,015
Higher Education	CSU Global	0
Higher Education	Northeastern Junior College	0
Higher Education	Colorado Mountain College	0
Higher Education	Morgan Community College	0
Higher Education	University of Colorado - Colorado Springs	59,444
Total – All Higher Education		\$1,801,338