

FY 2026-27 Budget Briefing Summary

Department of Local Affairs

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's FY 2025-26 appropriation represents 0.4 percent of statewide General Fund appropriations.

Summary of Request

Department of Local Affairs						
Item	Total Funds	General Fund [1]	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
FY 2025-26 Long Bill	\$570,224,123	\$69,618,315	\$350,068,976	\$25,592,997	\$124,943,835	248.1
Other legislation	-1,573,569	-7,622,681	-2,036,328	8,085,440	0	6.2
Total	\$568,650,554	\$61,995,634	\$348,032,648	\$33,678,437	\$124,943,835	254.3
FY 2026-27 Requested Appropriation						
FY 2025-26 Appropriation	\$568,650,554	\$61,995,634	\$348,032,648	\$33,678,437	\$124,943,835	254.3
R1 CORA administrator	61,469	61,469	0	0	0	0.5
R2 Mobile Home Park Loan and Grant Program transfers	0	0	0	0	0	0.0
R3 POMH Grant Program transfer	0	0	0	0	0	0.0
R4 Payments to OIT reduction	-100,133	-100,133	0	0	0	0.0
R5 Childcare Facility Development Grant changes	-500,000	-250,000	0	-250,000	0	-0.9
Statewide R4 Severance tax transfers	0	0	0	0	0	0.0
Employee compensation common policies	2,034,402	153,852	1,572,615	179,100	128,835	0.0
Operating common policies	192,694	-573,200	320,871	163,118	281,905	0.0
Impacts driven by other agencies	230,341	284,485	-28,276	-14,229	-11,639	1.9
Technical adjustments	6,643,000	0	6,580,000	63,000	0	0.0
Prior year actions	5,913,688	-104,244	-288,890	6,306,822	0	-3.6
Total	\$583,126,015	\$61,467,863	\$356,188,968	\$40,126,248	\$125,342,936	252.2
Increase/-Decrease	\$14,475,461	-\$527,771	\$8,156,320	\$6,447,811	\$399,101	-2.1
Percentage Change	2.5%	-0.9%	2.3%	19.1%	0.3%	0.0%

[1] Includes General Fund Exempt.

Changes are assumed to be ongoing unless otherwise noted.

R1 Colorado Open Records Act (CORA) administrator: The Department requests funding for a new Administrator IV position to continue CORA administration work currently being performed by a term-limited employee.

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

Year 2: The ongoing cost is \$127,205 General Fund and 1.0 FTE.

The number of open records requests received by the Department has continually increased since 2021. DOLA received 408 requests in 2024, and 454 requests between January 1st and October 15th, 2025. Prior to assigning a term-limited employee to this work, DOLA used a disjointed process where requests were handled by various staff on top of their regular job duties. This resulted in inconsistent and delayed responses, difficulty tracking litigation-related documents, and an inability to provide accurate data on the number of requests received prior to 2024.

R2 Mobile Home Park Loan and Grant Program transfers [legislation]: The Department asks for an ongoing statutory transfer of \$400,000 annually for seven years from the Mobile Home Park Resident Empowerment Loan and Grant Program Fund to the General Fund.

Senate Bill 22-160 (Loan Program Resident-owned Communities) created the Mobile Home Park Acquisition Revolving Loan Fund and the Mobile Home Park Resident Technical Assistance and Stabilization Grant Program with \$35.0 million in one-time funds originating from the General Fund. The Department contracts with two community development financial institutions (CDFIs) and a grant program administrator to execute these programs. The proposed \$2.8 million in transfers to the General Fund comes from a combination of interest earned in the Mobile Home Park Resident Empowerment Loan and Grant Program Fund and administrative fees paid by the CDFIs. The Department has indicated that this request has “insufficient evidence” for an evidence designation at this time.

R3 Peace Officer Mental Health (POMH) Grant Program transfer [legislation]: The Department requests a one-time transfer of \$400,000 from the Peace Officers Behavioral Health Support and Community Partnership Fund to the General Fund.

The Peace Officers Behavioral Health Support and Community Partnerships Grant Program, commonly referred to as the Peace Officers Mental Health (POMH) program, provides grants to law enforcement agencies and peace officer organizations for counseling services, co-responder community responses, peer support programs, and other training and education associated with job-related trauma. The program has received \$2.0 million annually through the Long Bill since FY 2018-19, plus an additional \$1.0 million in FY 2021-22 and \$3.0 million in FY 2022-23 through special legislation. The \$400,000 proposed for transfer is an expired appropriation from FY 2022-23 that cannot be spent. The Department indicates that this is an Evidence-informed request.

R4 Payments to OIT reduction: The Department proposes a reduction to its payments to the Office of Information Technology (OIT). Savings are primarily attributable to reducing non-critical user experience improvements and the completion of large scale projects that now only need operations and maintenance budgets.

Year 1: -\$100,133 General Fund.

R5 Childcare Facility Development Grant changes [legislation]: The Department asks to eliminate funding for programs created by H.B. 24-1237 (Programs for the Development of Child Care Facilities) two years early and repeal the Child Care Facility Development Capital Grant Program without having implemented it.

Year 1: Eliminate the appropriation for savings of \$250,000 General Fund and transfer \$117,551 in unspent fund balance to the General Fund. The Department also anticipates a need for roll-forward authority to use a portion of the current year appropriation through FY 2026-27.

Year 2: Eliminate what would be the program’s final \$250,000 General Fund appropriation.

H.B. 24-1237 created a toolkit and technical assistance program, a planning grant program, and a capital grant program to encourage the development of child care facilities. The Legislative Council Staff Fiscal Note for the bill assumed \$250,000 General Fund would be appropriated to the Child Care Facility Development Cash Fund annually from FY 2024-25 through FY 2027-28. The Department launched the toolkit and technical assistance program with the FY 2024-25 appropriation and is in the process of awarding planning grants with the FY 2025-26 appropriation. Because the remaining \$500,000 in future appropriations is insufficient to launch a capital grant program, the Department has identified those funds for General Fund balancing and asks to repeal the program early. The Department has indicated that this request has “insufficient evidence” for an evidence designation.

Statewide R4 Severance tax transfers [legislation]: The Department requests transfers from the Local Government Severance Tax Fund to the General Fund for budget balancing purposes.

Current year: Transfer \$10.0 million to the General Fund (in addition to \$3.3 million designated in Executive Order D 2025 014).

Year 1: Transfer \$10.0 million to the General Fund.

Most severance tax revenue is distributed equally between the Departments of Local Affairs and Natural Resources. The portion directed to the Department of Local Affairs is statutorily allocated between formula distributions (30.0 percent) and Energy/Mineral Impact Assistance Fund (EIAF) grants for local government infrastructure, land use planning, and other projects (70.0 percent). The Department request these revenue reductions be allocated between formula distributions and EIAF grants on a 30:70 basis.

Employee compensation common policies: The request includes a net increase of \$2.0 million for employee compensation common policies. A common policy refers to general policies applied consistently to all departments.

Employee compensation common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Health, life, and dental	\$1,091,163	-\$12,863	\$990,314	-\$32,917	\$146,629	0.0
Salary survey	734,458	195,083	195,083	216,786	127,506	0.0
Step plan	97,465	25,306	23,241	9,831	39,087	0.0
Unfunded liability amortization payments	63,012	-33,921	285,561	-3,294	-185,334	0.0
PERA direct distribution	34,204	-17,990	63,567	-11,134	-239	0.0
Paid family and medical leave insurance	12,203	-1,526	12,850	-148	1,027	0.0
Short-term disability	1,897	-237	1,999	-24	159	0.0
Total	\$2,034,402	\$153,852	\$1,572,615	\$179,100	\$128,835	0.0

Operating common policies: The request includes a net increase of \$0.2 million for operating common policies.

Operating common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Office of Information Technology services	\$496,898	-\$43,107	\$265,585	\$80,607	\$193,813	0.0
State accounting system (CORE)	381,101	32,351	184,570	53,614	110,566	0.0
Workers' compensation	49,047	8,095	23,659	17,293	0	0.0
Administrative law judge services	21,561	0	21,561	0	0	0.0
Legal services	-431,534	-477,388	-6,081	51,935	0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Capitol Complex leased space	-248,131	-26,428	-131,966	-67,263	-22,474	0.0
Risk management & property	-61,887	-23,252	-25,981	-12,654	0	0.0
Vehicle lease payments	-14,361	-43,471	-10,476	39,586	0	0.0
Total	\$192,694	-\$573,200	\$320,871	\$163,118	\$281,905	0.0

Impacts driven by other agencies: The request includes a net increase of \$0.2 million for requests from other state agencies. These are also called “non-prioritized requests.” The amount shown in the table below applies only to this department and does not necessarily reflect the total value of the request.

Impacts driven by other agencies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
NP IT accessibility	\$170,762	\$170,762	0	0	0	1.0
NP7 SB24-205 AI compliance	133,760	133,760	0	0	0	0.9
NP2 SB24-205 AI compliance	12,346	3,274	\$4,687	\$2,421	\$1,964	0.0
NP State accounting system (CORE) staff	10,175	2,335	3,748	2,312	1,780	0.0
NP Statewide enable AI	6,196	1,643	2,352	1,215	986	0.0
NP IT operating offset	-63,683	-16,889	-24,176	-12,487	-10,131	0.0
NP IT efficiencies	-39,215	-10,400	-14,887	-7,690	-6,238	0.0
Total	\$230,341	\$284,485	-\$28,276	-\$14,229	-\$11,639	1.9

Technical adjustments: The request includes technical adjustments related to informational cash funds and administrative funds that are based on forecasted revenue streams.

Technical adjustments

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Prop 123 informational adj.	\$4,480,000	\$0	\$4,480,000	\$0	\$0	0.0
Vendor fee informational adj.	2,100,000	0	2,100,000	0	0	0.0
Reappropriated admin adjustment	63,000	0	0	63,000	0	0.0
Total	\$6,643,000	\$0	\$6,580,000	\$63,000	\$0	0.0

Prior year actions: The request includes a net increase of \$5.9 million for the impact of prior year budget decisions and legislation.

Prior year actions

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 25-26 Ridge View Campus	\$6,149,702	\$0	0	\$6,149,702	\$0	0.3
HB 24-1219 Firefighter health benefits	300,000	150,000	\$0	150,000	0	0.0
SB 24-111 Senior primary res prop tax reduction	6,334	6,334	0	0	0	0.1
FY 25-26 Step plan	0	1	-1,192	1,191	0	0.0
FY 25-26 Salary survey	0	-1	-5,928	5,929	0	0.0
SB 25-246 Eliminate GBM MJ grant program	-175,100	0	-175,100	0	0	-1.5
HB 22-1013 Microgrids grant program	-152,124	-152,124	0	0	0	-2.0
FY 25-26 Eliminate DCFA grant program	-108,454	-108,454	0	0	0	-0.5
SB 25-002 Regional bldg codes factory built	-101,670	0	-101,670	0	0	0.0
SB 25-030 Moffat Tunnel	-5,000	0	-5,000	0	0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Total	\$5,913,688	-\$104,244	-\$288,890	\$6,306,822	\$0	-3.6

Issues Presented

This is a summary of the briefing issues presented to the Joint Budget Committee by their dedicated non-partisan staff.

Energy/Mineral Impact Assistance Funds: The Department combines its severance tax and federal mineral lease revenues to fund the Energy/Mineral Impact Assistance Fund (EIAF) grant program. These are volatile revenue sources which in turn leads to large swings in the amount of grants awarded annually. EIAF grants are predicted to hit a 13-year low of \$29.6 million in FY 2026-27 based on the most recent OSPB forecast and proposed transfers out of the Local Government Severance Tax Fund.

For More Information

JBC Staff Analyst:

Andrea Uhl
(303) 866-4956
Andrea.uhl@coleg.gov

To read the entire briefing: Go to content.leg.colorado.gov/content/budget#budget-documents-section to use the budget document search tool. Select this department's name under Department/Topic, "Briefing" under Type, and select a Start date and End date to show documents released in November and December of 2025.