



JBC Staff Comeback Memos

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JBC Staff Comeback Higher Education

JBC Staff: Alfredo Kemm, (303-866-4549)

Date: March 27, 2026

AHEC Common Policy Adjustments

The Auraria Higher Education Center (AHEC) identifies common policy-related cost increases totaling \$801,532. This includes \$611,431 for the requested 3.1 percent ATB/COLA increase.

Recommendation

Staff requests permission from the Committee to include an increase for common policy items based on Committee policy decisions for salary increases for AHEC. This will be reflected as an increase in General Fund for AHEC.

Staff will include a budget-neutral negative adjustment to state funding for the three institutions served by AHEC based on the historical methodology used for allocating costs that uses student headcount for non-facility costs and percent of buildings occupied for facility costs. This division of cost for FY 2025-26 includes: the Community College of Denver share of 13.0 percent; Metropolitan State University of Denver share of 49.7 percent; and the University of Colorado, Denver share of 37.3 percent. This will be reflected as decreases in General Fund in those proportions to offset the AHEC General Fund increase.

JBC Staff Comeback

Department of Local Affairs

JBC Staff: Andrea Uhl, (303-866-4956)

Date: March 27, 2026

Informational Adjustments Based on March Forecast for Housing Funds; Related Administrative Adjustments

Housing Development Grant Fund

The Department's continuously appropriated Housing Development Grant Fund (HDGF) receives 1.655 percent of state sales tax revenue pursuant to H.B. 25B-1005 (Eliminate State Sales Tax Vendor Fee), as well as \$18.0 million General Fund through the Long Bill. Prior to H.B. 25B-1005, the HDGF received a portion of vendor fee revenue attributable to H.B. 19-1245 (Affordable Housing Funding from Vendor Fee Changes). Staff started reflecting the forecasted amount of vendor fee revenue in the FY 2025-26 Long Bill for informational purposes only. Then, the JBC sponsored S.B. 25-245 (Housing Development Grant Fund Administrative Costs) to raise the administrative cap on the HDGF from 3.0 percent to 4.0 percent and make administrative costs subject to annual appropriation. This was partially in response to the Department's FY 2025-26 R3 General Fund request for the Colorado Homeless Management Information System (COHMIS). Staff recommended making the Department pay for COHMIS out of the HDGF, which necessitated the increase in the administrative cap. During these discussions, staff indicated that the Department should ask for administrative increases as needed, but not expect to automatically be adjusted to the 4.0 percent cap each year.

FY 2026-27 revenue to the HDGF is estimated at \$42.3 million in the March 2026 OSPB forecast. **Staff recommends the following adjustments to the informational cash estimate and the corresponding reappropriated administrative costs** relative to what was presented in Figure Setting:

- Adjust the *informational* cash appropriation in the Division of Housing (DOH), Field Services, Affordable Housing Construction Grants and Loans line to \$42.3 million. This amount was estimated at \$42.6 million in figure setting.
- Increase *reappropriated* administrative costs in the DOH, Field Services, Affordable Housing Program Costs line by \$106,028 and 0.2 FTE for the annualization of the FY 2025-26 R3 COHMIS decision item.
- Eliminate a \$63,000 *reappropriated* administrative increase that was shown in Figure Setting as a technical adjustment. The Department submitted this to align administrative costs with the former 3.0 percent cap. The Department agrees with the \$106,028 increase instead of this increase.

Proposition 123 Programs

The FY 2025-26 Long Bill added two line items to reflect Proposition 123 revenue and programs funded from the Affordable Housing Support Fund - the Proposition 123 Programs for Affordable Home Ownership and Persons

Experiencing Homelessness line in the DOH, and the Proposition 123 Local Planning Capacity Support line in the Division of Local Government (DLG). These lines are based on forecasted revenue and shown for *informational* purposes only. The JBC sponsored S.B. 25-313 (Proposition 123 Revenue Uses) to make administrative costs subject to appropriation beginning in FY 2026-27 and add the Ridge View Campus (now called Sage Ridge) as an allowable use of Prop 123 funding. Funding for Sage Ridge is also subject to annual appropriation. Lastly, S.B. 25-308 (Medicaid Services Related to Federal Authorizations) allows the Department of Healthcare Policy and Financing (HCPF) to spend money from the Affordable Housing Support Fund for certain services, subject to annual appropriation. That bill directly appropriated \$2.2 million from the Affordable Housing Support Fund to HCPF.

Based on all of those changes, and the OSPB March 2026 forecasted revenue of \$133.0 million for Prop 123, **staff recommends the following adjustments** compared to what was presented in Figure Setting:

- Add an appropriation of \$6,317,500 *non-informational cash funds* from the Affordable Housing Support Fund in the DOH Field Services, Affordable Housing Program Costs line to reflect the 5.0 percent cap on administrative costs. Of the \$133.0 million in revenue, 95.0 percent is used in the DOH.
- Adjust the *informational* appropriation in the DOH Proposition 123 Programs for Affordable Home Ownership and Persons Experiencing Homeless line to \$106,350,252. This is based on 95.0 percent of March forecast revenue less the amounts for Sage Ridge, HCPF, and administrative costs. This amount was estimated at \$135.6 million in Figure Setting.
- Adjust the appropriation for Sage Ridge to be an annual appropriation from the Affordable Housing Support Fund rather than reappropriated funds from the DOH Prop 123 line. The amount approved in Figure Setting, \$11,463,656, is unchanged.
- Add an appropriation of \$332,500 *non-informational cash funds* from the Affordable Housing Support Fund in the DLG Field Services, Program Costs line to reflect the 5.0 percent cap on administrative costs. Of the \$133.0 million in revenue, 5.0 percent is used in the DLG.
- Adjust the *informational* appropriation in the DLG Proposition 123 Local Planning Capacity Support line to \$6,317,500. This is based on 5.0 percent of March forecast less administrative costs. This amount was estimated at \$7.3 million in Figure Setting.