



JBC Staff Comeback Memos

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JBC Staff Comeback

Health Care Policy and Financing

JBC Staff: Eric Kurtz, (303-866-4952)

Date: March 13, 2026

COVID enhanced federal match [legislation]

Recommendation

Staff recommends extending legislation so the enhanced federal match from the Families First Coronavirus Relief Act (FFCRA) continues to benefit the General Fund.

Background

FFCRA temporarily increased the federal match for Medicaid by six percentage points during the pandemic. This reduced the state share of costs and lowered spending from both the General Fund and cash funds. The enhanced match was intended to help states manage lower revenues and higher costs.

Senate Bill 21-213

Senate Bill 21-213, sponsored by the JBC, directed the Department to use the extra federal funds to benefit the General Fund. The bill did this primarily in two ways:

- **Provider fees:** The Department continued collecting the same revenue needed to support a 50 percent match. The additional provider fee revenue was used to offset General Fund spending.
- **Certified public expenditures:** Public entities received the normal 50 percent federal match. Additional federal funds were transferred to the General Fund.

Without this law, hospitals, nursing facilities, and public entities would have received extra funding that the federal government intended to help state budgets.

Current Situation

Because certifying public expenditures takes time, the Department is still reconciling payments for services delivered during the enhanced match period.

However, the provisions of S.B. 21-213 repealed December 31, 2024.

Despite the repeal, the Department transferred \$7,362,654 to the General Fund in FY 2024-25. The Department says, "We feel the intent of the initial statute was to have *all* of the FFCRA match transferred to the GF and that the repeal was an oversight that didn't consider how long the run out can be with payments under programs using Certification of Public Expenditures."

The related transfers in FY 2025-26 would be \$1,311,573. The FY 2025-26 transfers are mostly associated with public emergency medical services but include small amounts for other types of certified public expenditures.

Budget forecasts

Both the Office of State Planning and Budgeting and Legislative Council Staff forecasts include the \$7.4 million transfer to the General Fund in FY 2024-25. That transfer happened, despite the repeal of the legal authority.

Neither forecast includes the \$1.3 million General Fund transfer in FY 2025-26, because the legal authority expired.

Policy Options

If the General Assembly wants the \$1.3 million transferred to the General Fund, it must extend the provisions of S.B. 21-213.

Otherwise, the \$1.3 million will go to the providers that still have certified public expenditures for services delivered during the enhanced match period.

These providers would receive the enhanced match that the federal government intended to help state budgets. They would receive the extra funding only due to administrative timing, because their payment reconciliation took longer than it did for other providers, rather than a policy reason.

Noncitizen emergency services financing [legislation]

Recommendation

Staff recommends legislation allowing the Department to use the Hospital Provider Fee as the state match for noncitizen emergency services for expansion populations.

Background

Pursuant to federal law, the Department covers emergency services for noncitizens who would qualify for Medicaid except for their immigration status. When the State expanded Medicaid eligibility in response to the Affordable Care Act (ACA), more noncitizens became eligible for emergency services.

At the end of FY 2024-25, the Department discovered that it could claim a 90 percent federal match for the noncitizens who were newly eligible pursuant to the ACA. Under federal rules, the Department was able to go back two years and retroactively claim the higher federal match for FY 2023-24 and FY 2024-25. The Department can continue claiming the 90 percent federal match until October 2026 when H.R. 1 reduces the match to 50 percent.

At the same time, the Department started paying the state share of costs for the noncitizen emergency services for expansion populations from the Hospital Provider Fee, rather than the General Fund.

One of the allowable uses of the Hospital Provider Fee is to expand eligibility for public medical assistance by:

- increasing eligibility for parents and caretakers from 61 percent to 133 percent of the federal poverty guidelines (FPL) and
- providing eligibility for adults without dependent children to 133 percent of FPL.

Legal authority

Based on the statute, there are three relevant conditions needed to use the Hospital Provider Fee for this purpose. The emergency services for noncitizens that the Department is financing with the Hospital Provider Fee appear to meet these conditions.

1. **Is the use "to expand eligibility"?** Although the Department covered emergency services for noncitizens prior to the Hospital Provider Fee, these populations were not eligible for emergency services until the Hospital Provider Fee eligibility expansion.
2. **Is the use "for public medical assistance"?** The noncitizens cannot access all of the public medical assistance benefits, but emergency services for noncitizens are a limited part of public medical assistance.
3. **Is the use for parents and caretakers from 61 percent to 133 percent of FPL and adults without dependent children to 133 percent of FPL?** The noncitizens that the Department is using the Hospital Provider Fee for are these expansion populations. The Department is using General Fund for noncitizen emergency services to other populations.

However, the emergency services for noncitizens are not explicitly identified in the statutes for the Hospital Provider Fee when other uses are detailed, such as continuous eligibility for children or the disability buy in. Also, the Fiscal Note for the bill and all of the appropriations until FY 2025-26 assumed that the General Fund would pay for noncitizen emergency services. The Department only started using the Hospital Provider Fee for noncitizens at the end of FY 2024-25. The first appropriation that assumed the Department would use the Hospital Provider Fee for a portion of the emergency services for noncitizens was the supplemental this year for FY 2025-26.

Legislative Legal Services advice

Legislative Legal Services advises that clarifying the statutes would remove potential ambiguity and reduce the risk of a legal challenge.

Current status

The JBC's actions for FY 2025-26 and FY 2026-27 assume the Department will use the Hospital Provider Fee for the state share of emergency services for noncitizens for the expansion populations. If the Department reverted to using the General Fund, then the Hospital Provider Fee amount would shift to a General Fund obligation.

The table below summarizes the Department's February forecast for these services.

Emergency services for noncitizen expansion populations

Fiscal Year	Total Funds	Hospital Provider Fee	Federal Funds	Ave. Federal Match
FY 2025-26	\$56,038,451	\$6,729,673	\$49,308,778	90.0%
FY 2026-27	58,436,897	23,671,109	34,765,788	59.5%
FY 2027-28	58,436,897	29,218,448	29,218,449	50.0%

JBC Staff Comeback

Labor and Employment

JBC Staff: Phoebe Canagarajah, (303-866-2149)

Date: March 13, 2026

Division of Vocational Rehabilitation: Double counting of certain reappropriated funds

After figure setting, JBC staff discovered that some reappropriated funds from the Department of Education (CDE) to the Department of Labor and Employment (CDLE) are incorrectly counted as non-exempt by the Office of the State Controller (OSC). This incorrectly pushes out about \$7.0 million General Fund.

Recommendation

Staff requests drafting authority for a bill to clarify that reappropriated funds from CDE for the School to Work Alliance Program which do not pass through local districts should not count as state fiscal year spending when received by CDLE. Staff requests permission to work with the Office of Legislative Legal Services, Legislative Council Staff, and the Executive Branch on this bill. The bill would amend Section 22-54-115 (1.5), C.R.S, to note that transferred funds are not considered state spending. That section currently notes:

Any school district may give written instructions to the state board directing that a specified portion of a monthly payment or monthly payments that the district is otherwise entitled to receive pursuant to this section shall be transferred to the department of labor and employment for the district's cost of participating in school-to-work alliance programs. These written instructions shall specify the amount to be transferred to the department of labor and employment from the district's payment for a specified month or months. The written instructions shall be given to the state board no later than the fifth day of the first month in which such amount is to be transferred to the department of labor and employment.

Background

In FY 2026-27, the Division of Vocational Rehabilitation (DVR) requests \$17.3 million reappropriated funds¹ transferred from CDE for the School to Work Alliance Program (SWAP). Of this amount, about \$7.0 million is directly transferred from CDE to DVR for some local school districts' share of costs. JBC and Office of State Planning and Budgeting (OSPB) staff recently learned that OSC considers this money as passing through local school districts before going to DVR. This means OSC treats this funding as leaving the state's TABOR district to local districts and then re-entering the state's TABOR district when it goes to DVR, even though it is directly transferred between state departments. This "double counts" this funding, and pushes out General Fund.

¹ This appropriation is informational.

OSC considers this funding as technically belonging to districts, as districts need to inform CDE to direct funds to DVR on their behalf. Through SWAP, school districts and Boards of Cooperative Education Services contract with DVR to support youth with disabilities transition from school into the workforce. However, most participating school districts (about 80.0%) direct CDE to transfer their share of state education funding for SWAP to DVR instead of receiving and transferring funds themselves, as authorized through Section 22-54-115 (1.5), C.R.S. Changes were made in the FY 2014-15 Long Bill for the Department of Human Services (who initially operated DVR programs) to reflect that these appropriations were reappropriated funds from CDE, not local funds. However, this arrangement has not excluded relevant funds transferred to CDLE from being considered state fiscal year spending.

CDOO line item split and correction

During figure setting, JBC members asked about splitting appropriations in the Colorado Disability Opportunity Office (CDOO) into new line items, to differentiate staffing and program costs. Staff has made that split, and also corrects an annualization that was put into the wrong line item.

Recommendation

Staff recommends the following budget-neutral changes to the FY 2026-27 Long Bill.

Recommended Changes

SubDivision	Line Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Colorado Disability Opportunity Office	Colorado Disability Opportunity Office [eliminate line item]	-\$10,742,073	\$0	-\$10,742,073	\$0	\$0	-10.0
Colorado Disability Opportunity Office	Personal Services [new line item]	800,213	0	800,213	0	0	10.0
Colorado Disability Opportunity Office	Operating Expenses [new line item]	9,933,800	0	9,933,800	0	0	0.0
Executive Director's Office	Personal Services [moves FY 25-26 BA3 annualization]	8,060	0	8,060	0	0	0.0
Net Total		\$0	\$0	\$0	\$0	\$0	0.0

Updated Line Item Detail for the Colorado Disability Opportunity Office

Colorado Disability Opportunity Office

This line item funds the staffing and operating expenses for the Colorado Disability Opportunity Office.

Statutory Authority: Part 1 of Article 88 of Title 8, C.R.S.

Recommendation: Staff recommends eliminating this line item.

Personal Services

This line item funds staff for the Colorado Disability Opportunity Office, including staff that support the Colorado Disability Funding Committee.

Statutory Authority: Part 1 of Article 88 of Title 8, C.R.S.

Recommendation: Staff recommends a total appropriation of \$800,213 cash funds and 10.0 FTE.

Operating Expenses

This line item funds grants offered by the Colorado Disability Funding Committee, as well as programs by the Colorado Disability Opportunity Office to support and coordinate disability support services state-wide. This includes their contracts to conduct a statewide needs assessment and develop a comprehensive database of disability resources. It also includes costs to run an annual hybrid conference between state departments and stakeholders on issues impacting residents with disabilities.

Statutory Authority: Part 1 of Article 88 of Title 8, C.R.S.

Recommendation: Staff recommends a total appropriation of \$9,933,800 cash funds.

JBC Staff Comeback Personnel

JBC Staff: Giulia Bova, (303-866-4955)

Date: March 13, 2026

This memo provides updated information related to staff-recommended transfers from ARPA-funded projects to the General Fund that were presented during staff figure setting. Staff recommendations have not changed.

Staff-initiated transfers from ARPA-funded projects to the General Fund

Recommendation

Staff recommended transferring \$4.3 million from the American Rescue Plan Act of 2021 Cash Fund to the General Fund, from the Round 1 and Round 2 Capital Facilities Projects.

JBC Decisions during staff figure setting

The JBC accepted staff recommendation to transfer \$4.3 million from the Round 1 and Round 2 Funding for State Capital Facilities Projects. The Committee requested an additional transfer of \$9.9 million from the Burnham Yard Demolition and Cleanup project (from staff’s Additional Balancing Options). The table below reflects the Committee’s decisions. These transfers will be included in a combined ARPA transfer bill.

Project Name	Fund Purpose(s)	Total Allocation	Amount Expended	Amount Encumbered	Amount Unencumbered	Staff Recommend Transfers	JBC Decisions from figure setting
Round 1: State Capital Facilities Project Funding	Capital construction projects to maintain, update, expand and construct state-owned facilities	\$121.1 million	\$59.3 million	\$52.9 million	\$5.4 million	\$3,894,600	\$3,894,600
Round 2: State Capital Facilities Project Funding	Controlled maintenance projects to maintain, update, or expand state-owned facilities that support Institutions of Higher Education	\$29.5 million	\$17.8 million	\$9.8 million	\$2.0 million	\$418,588	\$418,588
Burnham Yard Demolition and Cleanup	Demolition and cleanup to prepare the site for development and sale	\$13.8 million	\$3.7 million	\$150,700	\$9.9 million	\$0	\$9,931,536

Project Name	Fund Purpose(s)	Total Allocation	Amount Expended	Amount Encumbered	Amount Unencumbered	Staff Recommend Transfers	JBC Decisions from figure setting
Office of the State Controller ARPA Administration Expenses	Supports staff that conduct monitoring, compliance, and reporting of ARPA SLFRF programs	\$4.8 million	\$2.1 million	\$0	\$2.7 million	\$0	\$0
Office of the State Controller ARPA Compliance Expenses	Supports contracted vendors for monitoring and compliance of ARPA SLFRF programs	\$7.5 million	\$2.9 million	\$3.9 million	\$682,615	\$0	\$0
Total transfer to GF						\$4,313,188	\$14,244,724

Additional information

During staff's figure setting, the JBC requested additional information on the need for FTE for the Office of the State Controller ARPA Administration and Compliance Expenses projects, and for the Round 2 State Capital Facilities project funding. These funds were included in staff's Additional Balancing Options.

FTE needs for ARPA monitoring and compliance

Senate Bill 21-288 (Creation of ARPA Cash Fund) authorized the Governor to allocate up to \$300.0 million from the ARPA 2021 Cash Fund to various departments/programs. The Governor allocated \$4.8 million to the Office of the State Controller (OSC) for 12.0 FTE for monitoring, compliance, and reporting of the American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds (SLFRF) programs. Staff did not recommend a transfer from this program because the Department anticipates using the remaining \$2.7 million in unspent funds to pay for 12.0 term-limited staff agreements to do federal reporting and compliance activities through the close-out period for SLFRF programs that end on April 30th, 2027. During staff's figure setting, the Committee asked about the need for FTE costs for ARPA programs that were refinanced with General Fund.

In instances where projects are now funded with General Fund, the state is not reporting on the use of state dollars to the federal government. However, the state cannot certify and conduct final closeout of projects until all the funds (federal and state) have been spent and projects are complete. This means that for projects that spent State and Local Fiscal Recovery Funds (SLFRF) earlier, but were refinanced, the administration and compliance term-limited FTE are needed for project closeout. Reporting is conducted quarterly, regardless of whether funds have been spent. Currently, there are 108 projects that need to be closed out by April 30, 2027. The Department indicated that a reduction in funding would require layoffs and jeopardize the \$3.8 billion awarded for ARPA programs because the Office of the State Controller does not have the capacity to complete reporting and compliance activities for programs without the positions hired for these activities.

The table below shows the actual and projected expenditures for administration expenses that the Governor allocated to the Office of the State Controller (OSC).

Item	FY 2024-25 (actual)	FY 2025-26 (to date)	FY 2026-27 (projected)	FY 2027-28 (projected) [1]	Total
Salaries	\$1,464,687	\$617,220	\$986,354	\$1,600,179	\$4,668,440

Item	FY 2024-25 (actual)	FY 2025-26 (to date)	FY 2026-27 (projected)	FY 2027-28 (projected) [1]	Total
Operating costs	29,027	35,276	13,168	39,049	116,520
FTE	12.0	12.0	12.0	12.0	12.0
Total	\$1,493,714	\$652,496	\$999,522	\$1,639,228	\$4,784,960

[1] Through April 30, 2027 (end date for term-limited FTE), which is the close-out period for ARPA funds.

During staff's figure setting, the Committee asked why the salaries and costs associated with the term-limited FTE seemed high. OSPB indicated to staff that the FTE costs are spread over multiple years (see table above). This amounts to roughly \$99,686 per 1.0 FTE per year.

The Governor also allocated \$7.5 million to OSC to support contracted vendors for monitoring and compliance of ARPA SLFRF programs, which includes interpreting guidance from the U.S. Treasury, communicating guidance and providing training to agencies on risk and compliance with Treasury requirements, and monitoring SLFRF funds. Staff did not recommend a transfer of funds from this program because the Department plans to use the remaining unencumbered balance of \$682,615 for an external consultant (KPMG) to complete transaction monitoring activities, conduct grant training across State agencies, support fraud investigations, perform SLFRF audit and closeout readiness activities/data collection, develop a grants management governance framework, and provide technical support.

Overall, \$12.3 million was transferred to the OSC for monitoring, compliance, and administration, which funds 12.0 term-limited FTE in the Department of Personnel (half work on reporting and half work on compliance) and a contract with KPMG. Staff does not recommend transferring funds from these programs.

Round 2 State Capital Facilities Project Funding

Senate Bill 23-214 (Long Bill) appropriated \$29.5 million for controlled maintenance projects for Institutions of Higher Education (IHEs) with an expiration date of June 30th, 2026. The unencumbered balance on projects funded through this legislation is currently \$2.0 million. Staff recommended a transfer of \$418,588, based on conversations with the Department. During staff's figure setting, the JBC requested additional information on the status of IHE controlled maintenance projects funded through this program. The table below provides an overview of controlled maintenance project expenditures and encumbrances. The Department and OSPB indicated that due to billing cycles and the nature of capital construction and controlled maintenance projects, the remaining funds are expected to be encumbered June 30, 2026, but may occur close to the deadline.

Institution	# of Projects	Start Date	End Date (Encumbrance deadline)	Budget	Encumbered	Unencumbered
UC Boulder	5	7/1/2023	6/30/2026	\$5,553,628	\$5,503,506	\$50,122
UC Colorado Springs	3	7/1/2023	6/30/2026	1,376,321	1,376,321	0
UC Denver	6	7/1/2023	6/30/2026	7,128,918	7,128,918	0
CSU Fort Collins	8	7/1/2023	6/30/2026	6,689,900	5,578,821	1,111,079
Morgan Community College	1	7/1/2023	6/30/2026	1,393,925	1,393,925	0
University of Northern Colorado	3	7/1/2023	6/30/2026	4,169,266	3,843,482	325,785
School of Mines	2	7/1/2023	6/30/2026	1,854,694	1,511,773	342,921
Fort Lewis College	2	7/1/2023	6/30/2026	1,366,889	1,208,350	158,539
Total	30	7/1/2023	6/30/2026	\$29,533,541 [1]	\$27,545,096	\$1,988,446

[1] The total budget was originally \$29,952,130. IHEs and the Department identified reversions of \$418,588, which is available for transfer to the General Fund, and included in staff's original recommendation. This changed the total budget for projects to \$29,533,541.

Recommendation

Staff recommends the JBC transfer \$14.2 million from ARPA-funded projects to the General Fund for FY 2026-27, which includes staff's original recommendation during figure setting (\$4.3 million from Capital Facilities projects) plus the Committee's initiated transfer of \$9.9 million from the Burnham Yard Demolition and Cleanup project.

JBC Staff Comeback

Military and Veterans Affairs

JBC Staff: Jon Catlett, (303-866-4386)

Date: March 13, 2026

Continuation of Veterans Grant Funding Adjustment for General Fund Savings

During figure setting for the Department of Military and Veterans Affairs (DMVA), the Joint Budget Committee (JBC) tabled the staff-initiated recommendation to continue last year's one-time grant funding adjustment, which would result in \$250,000 in General Fund savings. Staff does not have a strong position on whether the Committee adopts this recommendation; however, if the JBC seeks to reduce General Fund expenditures within DMVA, staff views this as the most viable option available to the Committee.

The Department has indicated that it does not oppose the proposal, and staff does not anticipate that this one-time, net grant funding-neutral adjustment would have a measurable impact on veterans. The recommendation from figure setting is included below for the Committee's reconsideration.

Recommendation

As a budget balancing measure, staff recommends continuing last year's one time budget action which reduced by \$250,000 General Fund the appropriation to the Veterans Assistance Grant program, which was offset by a \$250,000 increase in grant funding from the Colorado State Veterans Trust Fund. This action resulted in a net neutral change in grant funding to Colorado's Veteran population, while providing \$250,000 in General fund savings.

The recommendation would effectively maintain the FY 2025-26 General Fund Appropriation to the Veterans Assistance Grant Program at \$1.1 million in FY 2026-27. Due to changes in revenue from the Tobacco Master Settlement Agreement, previously discussed, it would appropriate approximately \$1.6 million from the CSVTF in FY 2026-27, which is \$74,654 less than FY 2025-26

Discussion

The Division of Veterans Affairs administers two grant programs serving Colorado veterans: the Colorado State Veterans Trust Fund (VTF) and the Veterans Assistance Grant (VAG) program. While both programs support veterans, they differ in scope, eligible recipients, and administrative capacity.

The VAG program provides comprehensive services to promote veterans' physical, emotional, and financial well-being. Funded organizations—primarily 501(c)(3) nonprofits and local government entities—typically have established infrastructure and professional staff to manage complex programs. Services may include mental

health and family counseling, emergency financial assistance, employment support, childcare, transportation to medical appointments, and other holistic supports.

In contrast, the VTF program primarily supports smaller, community-based organizations, including local chapters of the Veterans of Foreign Wars (VFW), American Legion, and Disabled American Veterans (DAV). Eligible entities generally qualify under 501(c)(19), 501(c)(23), or certain 501(c)(4) classifications and rely largely on volunteer leadership. VTF funds are directed toward immediate, direct assistance, such as emergency financial support, transportation, cremation services, and assistance to surviving spouses.

In summary, while both programs provide important services to Colorado veterans, they are not interchangeable, and staff recognize that each fulfills a distinct role. VAG supports broad, professionally administered programs addressing multiple dimensions of veteran well-being, whereas VTF provides targeted, direct assistance through smaller, volunteer-led organizations. In light of current fiscal constraints, staff recommend this action as a budget-balancing measure, with annual reevaluation should budget conditions improve.

Colorado State Veterans Trust Fund

The Colorado State Veterans Trust Fund is funded through Tobacco Master Settlement funds and receives 1 percent annually of this distribution. Pursuant to Section 28-5-709, C.R.S., the total Tobacco Master Settlement Agreement funds directed to the Colorado State Veterans Trust Fund may be used for:

- Capital improvements or needed amenities for state veterans nursing homes;
- Costs incurred by state veteran cemeteries;
- Costs incurred by the Division of Veterans Affairs to administer the program; and
- Grants to veteran programs operated by nonprofit veterans’ organizations that meet criteria adopted by the Colorado Board of Veterans Affairs and selected by that Board as grant recipients.

The Colorado State Veterans Trust Fund currently is projected to end FY 2025-26 with a balance of approximately \$4.2 million beyond what it has spending authority. At the same time, the demand for eligible, worthy grant programs from across the State who are serving veterans by providing housing assistance, financial resources, job training, and education opportunities is greater than the current authorized spending authority of the Department. This *one-time* increase in cash fund spending authority would allow the Division to continue to support Veterans across the state, while offsetting a *one-time* General Fund reduction to the Veterans Assistance Grant Program, resulting in a net grant funding–neutral level of funding to grantees across the state serving veterans.

The table below shows the Colorado State Veterans Trust Fund account balance projected through FY 2026-27, and incorporates the impact of the additional spending authority in this staff-initiated request.

Colorado State Veterans Trust Fund Balance

	Actual	Actual	Actual	Budget	Recom.
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Beginning Fund Balance	\$4,246,487	\$4,530,384	\$4,673,969	\$4,534,439	\$4,191,648
Revenue Total	1,012,575	1,109,847	1,039,677	963,074	1,006,657
<i>Tobacco Settlement Transfer from Dept. of Treasury</i>	<i>888,448</i>	<i>930,729</i>	<i>880,000</i>	<i>880,000</i>	<i>850,000</i>
<i>Interest Income + Miscellaneous Revenue</i>	<i>124,127</i>	<i>179,118</i>	<i>159,677</i>	<i>169,468</i>	<i>156,657</i>
Expenses / Appropriation	728,678	966,262	1,270,755	1,383,553	1,608,602

	Actual	Actual	Actual	Budget	Recom.
Ending Fund Balance	\$4,530,384	\$4,673,969	\$4,534,439	\$4,191,648	\$3,589,703

Veterans Assistance Grant Program

The Veterans Assistance Grant (VAG) Program was established during conference committee for the FY 2012–13 Long Bill to provide grants to nonprofit and governmental entities serving Colorado veterans. The program funds comprehensive services designed to promote veterans’ health, stability, and overall well-being, addressing both immediate needs and long-term outcomes. Eligible grantees—primarily 501(c)(3) nonprofit organizations and local government agencies—must demonstrate the administrative infrastructure and professional capacity to manage complex programs and deliver coordinated, sustained support statewide. Funded services may include mental health and family counseling, emergency financial assistance, employment support, childcare assistance, transportation to medical appointments, and holistic wellness initiatives.

In recent years, the General Assembly has increased support for the program. The FY 2023–24 Long Bill included a \$500,000 conference committee increase to the VAG appropriation, and in FY 2024–25 the Joint Budget Committee voted to make that increase ongoing. Appropriations and expenditures for the five most recent fiscal years are reflected in the table below.

Veterans Assistance Grant Funding

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Appropriation	\$1,007,886	\$1,007,886	\$1,007,886	\$1,507,886	\$1,507,886
Expenditures	991,108	794,560	806,227	847,424	1,331,349

JBC Staff Comeback Revenue

JBC Staff: Jon Catlett, (303-866-4386)

Date: March 13, 2026

Colorado Lottery

During figure setting for the Department of Revenue, the Joint Budget Committee tabled action on the line-item detail for the Colorado State Lottery Division. The following section presents the Lottery Division line items and the associated funding request for FY 2026-27.

Line Item Detail - State Lottery Division

Personal Services

This line item pays for program staff salary and contract services. Typical adjustments that occur each year include annualization of salary increases and performance awards granted in the prior fiscal year and common policy base reductions.

Statutory Authority: Section 44-40-101, et seq., C.R.S.

Request: The Department request is included in the table below.

Recommendation: Staff recommendation outlined in the following table.

State Lottery Division, Personal Services

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
SB 25-206 Long Bill	\$11,033,214	\$0	\$11,033,214	\$0	\$0	115.9
Total FY 2025-26	\$11,033,214	\$0	\$11,033,214	\$0	\$0	115.9
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$11,033,214	\$0	\$11,033,214	\$0	\$0	115.9
Prior year actions	435,726	0	435,726	0	0	3.2
Total FY 2026-27	\$11,468,940	\$0	\$11,468,940	\$0	\$0	119.1
Changes from FY 2025-26	\$435,726	\$0	\$435,726	\$0	\$0	3.2
Percentage Change	3.9%	n/a	3.9%	n/a	n/a	2.8%
FY 2026-27 Executive Request	\$11,468,940	\$0	\$11,468,940	\$0	\$0	119.1
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Operating Expenses

This line item funds operating costs, including telecommunications, research, travel expenses, general office supplies and printing costs.

Statutory Authority: Section 44-40-101, et seq., C.R.S.

Request: The Department request is included in the table below.

Recommendation: Staff recommendation outlined in the following table.

State Lottery Division, Operating Expenses						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
SB 25-206 Long Bill	\$1,655,676	\$0	\$1,655,676	\$0	\$0	0.0
Total FY 2025-26	\$1,655,676	\$0	\$1,655,676	\$0	\$0	0.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$1,655,676	\$0	\$1,655,676	\$0	\$0	0.0
Prior year actions	-88,648	0	-88,648	0	0	0.0
Total FY 2026-27	\$1,567,028	\$0	\$1,567,028	\$0	\$0	0.0
Changes from FY 2025-26	-\$88,648	\$0	-\$88,648	\$0	\$0	0.0
Percentage Change	-5.4%	n/a	-5.4%	n/a	n/a	n/a
FY 2026-27 Executive Request	\$1,567,028	\$0	\$1,567,028	\$0	\$0	0.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Payments to Other State Agencies

This line item funds the costs of various audits, fingerprint and name checks through CBI, and data storage fees provided by the Department of Personnel's, Integrated Document Solutions.

Statutory Authority: Section 44-40-101, et seq., C.R.S.

Request: The Department request is included in the table below.

Recommendation: Staff recommendation outlined in the following table.

State Lottery Division, Payments to Other State Agencies						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
SB 25-206 Long Bill	\$239,410	\$0	\$239,410	\$0	\$0	0.0
Total FY 2025-26	\$239,410	\$0	\$239,410	\$0	\$0	0.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$239,410	\$0	\$239,410	\$0	\$0	0.0
Total FY 2026-27	\$239,410	\$0	\$239,410	\$0	\$0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Percentage Change	0.0%	n/a	0.0%	n/a	n/a	n/a
FY 2026-27 Executive Request	\$239,410	\$0	\$239,410	\$0	\$0	0.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Marketing and Communications

This line item is used to reimburse vendors for goods and services related to the marketing, sale, advertising, public relations, consumer awareness, retailer awareness, drawings, customer support, and retailer support of Lottery games and products. These include sponsorships, newspaper and television advertising, promotional coupons, free tickets, Lottery Bucks, and billboards.

Statutory Authority: Section 44-40-101, et seq., C.R.S.

Request: The Department request is included in the table below.

Recommendation: Staff recommendation outlined in the following table.

State Lottery Division, Marketing and Communications

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
SB 25-206 Long Bill	\$18,200,000	\$0	\$18,200,000	\$0	\$0	0.0
Total FY 2025-26	\$18,200,000	\$0	\$18,200,000	\$0	\$0	0.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$18,200,000	\$0	\$18,200,000	\$0	\$0	0.0
Total FY 2026-27	\$18,200,000	\$0	\$18,200,000	\$0	\$0	0.0
Percentage Change	0.0%	n/a	0.0%	n/a	n/a	n/a
FY 2026-27 Executive Request	\$18,200,000	\$0	\$18,200,000	\$0	\$0	0.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Multi-State Lottery Fees

This line item is used to pay vendors for goods and services related to administering multi-state games of which Colorado is, or may become, a participating Lottery. These payments include the costs of maintaining compliance with multi-state game rules and policies. These costs vary year to year based on many factors such as per-capita sales of each state participating in a multi-state lottery, the number of states participating, the level of service provided by the multi-state game vendors, changes in multi-state rules and policies, and inflation.

Statutory Authority: Section 44-40-101, et seq., C.R.S.

Request: The Department requests a continuation appropriation of \$177,433 cash funds.

Recommendation: Staff recommends approving the request.

State Lottery Division, Multi-State Lottery Fees

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
SB 25-206 Long Bill	\$177,433	\$0	\$177,433	\$0	\$0	0.0
Total FY 2025-26	\$177,433	\$0	\$177,433	\$0	\$0	0.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$177,433	\$0	\$177,433	\$0	\$0	0.0
Total FY 2026-27	\$177,433	\$0	\$177,433	\$0	\$0	0.0
Percentage Change	0.0%	n/a	0.0%	n/a	n/a	n/a
FY 2026-27 Executive Request	\$177,433	\$0	\$177,433	\$0	\$0	0.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Vendor Fees

This line is used to pay vendors for variable vendor fees and fixed vendor fees.

Statutory Authority: Section 44-40-101, et seq., C.R.S.

Request: The Department request is included in the table below.

Recommendation: Staff recommendation outlined in the following table.

State Lottery Division, Vendor Fees

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
SB 25-206 Long Bill	\$52,136,622	\$0	\$52,136,622	\$0	\$0	0.0
Total FY 2025-26	\$52,136,622	\$0	\$52,136,622	\$0	\$0	0.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$52,136,622	\$0	\$52,136,622	\$0	\$0	0.0
Total FY 2026-27	\$52,136,622	\$0	\$52,136,622	\$0	\$0	0.0
Percentage Change	0.0%	n/a	0.0%	n/a	n/a	n/a
FY 2026-27 Executive Request	\$52,136,622	\$0	\$52,136,622	\$0	\$0	0.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Retailer Compensation

These payments are commissions, cashing bonuses, and marketing agreement bonuses to compensate retailers for selling State Lottery products. Retailers are paid a 7.0 percent commission on scratch sales, and a 6.0 percent commission for jackpot game sales. In addition, retailers are paid a 1% bonus of all prizes they pay out, as well as bonuses for selling large winning tickets. (for example, selling a Powerball or Mega Millions top prize winning

ticket generates a bonus to the retailer of \$50,000.) Retailers receiving these payments include convenience stores, gas stations, supermarkets, tobacco shops, and liquor stores.

Statutory Authority: Section 44-40-101, et seq., C.R.S.

Request: The Department’s request is summarized in the table below.

Recommendation: Staff recommends approving the request.

State Lottery Division, Retailer Compensation

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
SB 25-206 Long Bill	\$85,000,000	\$0	\$85,000,000	\$0	\$0	0.0
Total FY 2025-26	\$85,000,000	\$0	\$85,000,000	\$0	\$0	0.0
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$85,000,000	\$0	\$85,000,000	\$0	\$0	0.0
Total FY 2026-27	\$85,000,000	\$0	\$85,000,000	\$0	\$0	0.0
Percentage Change	0.0%	n/a	0.0%	n/a	n/a	n/a
FY 2026-27 Executive Request	\$85,000,000	\$0	\$85,000,000	\$0	\$0	0.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0

Indirect Cost Assessment

This line item reflects the indirect cost assessment for this Division, which is based on the Department and Statewide indirect cost allocation plans. This appropriation reflects administrative support costs for this division provided by the Executive Director's Office and statewide services which are not directly billed. Indirect cost assessments (1) offset General Fund and (2) reflect the full cost of cash-funded programs.

Statutory Authority: Section 24-75-1401, C.R.S

Request: The Department requests an appropriation of \$907,180 cash funds including an increase of \$16,453 cash funds. Details of the recommendation are listed in the table below.

Recommendation: Staff recommends approving the request, consistent with the Department's indirect cost plan.

State Lottery Division, Indirect Cost Assessment

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
SB 25-206 Long Bill	\$923,329	\$0	\$923,329	\$0	\$0	0.0
Total FY 2025-26	\$923,329	\$0	\$923,329	\$0	\$0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2026-27 Recommended Appropriation						
FY 2025-26 Appropriation	\$923,329	\$0	\$923,329	\$0	\$0	0.0
Operating common policies	168,094	0	168,094	0	0	0.0
Total FY 2026-27	\$1,091,423	\$0	\$1,091,423	\$0	\$0	0.0
Changes from FY 2025-26						
Changes from FY 2025-26	\$168,094	\$0	\$168,094	\$0	\$0	0.0
Percentage Change	18.2%	n/a	18.2%	n/a	n/a	n/a
FY 2026-27 Executive Request						
FY 2026-27 Executive Request	\$1,091,423	\$0	\$1,091,423	\$0	\$0	0.0
Staff Rec. Above/-Below Request	\$0	\$0	\$0	\$0	\$0	0.0