



Memorandum

To: Joint Budget Committee Members
 From: Craig Harper, JBC Staff (303-866-3481)
 Date: April 1, 2026
 Subject: General Fund Overview Under March 2026 Forecasts with Actions Through March 31, 2026

Balancing Status through March 31, 2026

Following the Committee's selection of the March 2026 Office of State Planning and Budgeting Revenue Forecast (March OSPB Forecast) for balancing, JBC Staff projected the following shortfalls below the 13.0 percent General Fund reserve target proposed by the Governor:¹

- \$52.8 million in FY 2025-26
- \$739.9 million in FY 2026-27

The Committee's actions since then (through March 31) have closed the gap. This analysis includes: (1) actions through March 31 and (2) a total compensation motion that was discussed (but not voted on) the evening of March 31. Using the March 2026 OSPB forecast, JBC Staff estimates that the General Fund would finish

- \$95.3 million above a 13.0 percent reserve target in FY 2025-26
- \$3.6 million below a 13.0 percent target in in FY 2026-27 (see Table 1)

Table 1: Status of the General Fund Reserve as of March 31, 2026 (March OSPB forecast, \$ in millions)

Line	Item	FY 2024-25 Actual	March OSPB	
			FY 2025-26	FY 2026-27
1	Total General Fund Available (See Table 2)	\$20,854.7	\$20,027.7	\$20,314.5
2	Less: Total General Fund Obligations (See Table 3)	18,446.3	18,292.0	18,644.8
3	Year-end Reserve in General Fund	\$2,408.4	\$1,735.6	\$1,669.7
4	Plus: Year-end Reserve in PERA (SB 25-310)	0.0	500.0	500.0
5	Total Year-end Reserve	\$2,408.4	\$2,235.6	\$2,169.7
6	Statutorily Required Reserve Percent	15.0%	13.0%	13.0%
7	Required Reserve Amount	\$2,358.5	\$2,140.3	\$2,173.3
8	Year-end Reserve Above/(Below) Requirement	\$49.9	\$95.3	-\$3.6

The following subsections break out the major components of Table 1.

¹ For simplicity, staff is again focusing on a 13.0 percent reserve target based on the continued shortfall for FY 2026-27. Achieving a 15.0 percent reserve in either year would require roughly \$340 million in additional balancing actions.

Available General Fund

Table 2 shows the total General Fund available each year under the OSPB forecast after accounting for the Committee’s actions to make additional General Fund available.

Table 2: General Fund Available in FY 2025-26 and FY 2026-27 Based on March 2026 Forecasts
(\$ in millions)

Line	Item	FY 2024-25 Actual	OSPB	
			FY 2025-26	FY 2026-27
1	Beginning Reserve Held in the General Fund	\$3,153.5	\$2,408.4	\$1,735.6
2	Gross General Fund Revenue (March Forecast)	17,181.3	17,003.6	18,434.1
3	Transfers from Other Funds (March Forecast)	519.9	223.2	33.3
4	Approved Transfers to the General Fund (Tables 3A and 3B)	0.0	392.5	111.5
5	Total General Fund Available	\$20,854.7	\$20,027.7	\$20,314.5

Tables 3A and 3B show the transfers and diversions to the General Fund that the Committee has approved as of March 31, 2026. Table 3A shows the transfers staff expects to be included in the “omnibus” transfer bill. Table 3B shows the smaller number of transfers that require separate legislation either to implement the transfer or to make related statutory changes (e.g., to repeal the cash fund).

Table 3A: Transfers Approved for Inclusion in Omnibus Transfer Bill (\$ in millions)

Line	Item	FY 2025-26	FY 2026-27
1	Local Affairs - Local Government Severance Tax Fund	\$19.4	\$27.3
2	OEDIT CLIMBER Fund	15.0	
3	OIT Revolving Fund	11.0	10.0
4	OIT Technology Risk Prevention and Response	10.0	
5	Higher Ed CollegeInvest Master Account	9.2	
6	Natural Resources Severance Tax Operational fund	7.3	11.2
7	Personnel - Supplier Database Cash Fund	5.4	
8	Public Health - School and Child Care Drinking Water	5.3	
9	Public Health - Community Impact Cash Fund	5.2	5.0
10	Public Health - Mobile Home Park Water Quality Fund	3.0	
11	Controlled Maintenance Trust Fund	2.0	
12	Labor - Scale-up Grant Program	1.1	
13	Personnel - Supplemental State Contribution Fund	1.0	
14	Public Safety - Identification unit cash fund	1.0	
15	Public Safety - Indirect costs excess recovery	1.0	
	Personnel - Unused State-owned Real Property Fund	0.8	
16	Labor - Qualified Apprenticeship Intermediary Grant	0.8	
17	Human Services - Records and Reports Fund	0.8	
18	Labor - Uninsured employer fund	0.5	
19	Tobacco settlement defense account	0.3	
20	Public Health - Fixed and Rotary Wing Ambulances	0.2	
21	Labor - Workers' Compensation Immediate Payment Fund	0.2	
22	State - Electronic Recording Technology Fund	0.2	
23	Local Affairs - Local government backfill cash fund	0.0	
24	Decarbonization Tax Credit Administration Fund		15.6
25	Governor - IJA Cash Fund Interest		15.0
26	Public Safety - SMART Grant Program Fund		0.7
27	Public Safety - Multidisc. Crime Prevention and Crisis Intervention Grant Fund		0.4

Line	Item	FY 2025-26	FY 2026-27
28	Local Affairs - Peace Officers Mental Health		0.4
29	Local Affairs - Mobile Home Park Resident Empowerment Loan and Grant		0.4
30	Local Affairs - Childcare Facility Grant Fund		0.1
31	Public Safety - Law Enf. Workforce Recruitment, Retention, and Tuition Fund		0.1
32	Total	\$100.5	\$86.2

Table 3B: Transfers Requiring Separate Legislation (\$ in millions)

Line	Source Fund	FY 2025-26	FY 2026-27
1	Governor - OEDIT Diversion of Prop 123 Funds	\$130.0	
2	Treasury - Unclaimed Property Fund Bill	73.8	
3	Various ARPA Refinance Funds	35.7	
4	Labor and Employment- Disability Support Fund	21.0	
5	Transfer for termination of ADLE payments	15.3	2.5
6	Legislative Department Cash Fund (H.B. 26-1332)	12.0	
7	Personnel - Transfer from bond assistance program	1.7	
8	OSPB - Pay for Success Contracts Program Fund	1.6	
9	Education - Modify legacy nutrition programs	0.5	
10	Judicial - Repeal CCJD minimum balance and transfer	0.4	
11	Public Safety - Wildfire Resilient Homes Grant Program	0.1	
12	Natural Resources - Severance tax restructure		14.2
13	Higher Ed - Discontinue Limited Gaming Funding for CHECRA		2.1
14	HCPF - Enhanced federal match for COVID		1.3
15	Education - Reduce Academic Accelerator Grant Program		5.2
16	Total	\$292.0	\$25.3

General Fund Obligations

Table 4 summarizes projected General Fund obligations for each year. The subsequent tables break down the specific *Committee actions* depending on whether they affect General Fund appropriations, transfers *from* the General Fund, or the TABOR refund obligation.

Table 4: General Fund Obligations Under March 2026 Forecasts (\$ in millions)

Line	Item	FY 2024-25 Actual	OSPB	
			FY 2025-26	FY 2026-27
1	General Fund Appropriations (Current Law/Action to date)	\$15,861.8	\$17,102.2	\$17,387.5
2	Current Year Adjustments Approved for Long Bill Supplementals		\$73.0	
3	Appropriations in Long Bill Package Bills (Table 5A)		-0.1	-1.9
4	Approved Placeholders for Other Legislation (Table 5B)		9.6	57.7
5	Less: Appropriations for Rebates and Expenditures (Forecast)	-240.0	-403.7	-408.6
6	Total Appropriations Subject to Reserve	\$15,621.8	\$16,781.0	\$17,034.8
7	General Fund Overexpenditure in FY 2024-25	68.6		
8	Rebates and Expenditures (Forecast)	187.4	837.7	532.0
9	Transfers to Transportation Funds (Forecast)	117.5	42.7	61.0
10	Bill to Eliminate Transfer to Multi-modal Options Fund (Table 6)			-10.5
11	Transfers for Capital Construction and IT Capital (Table 6)	254.1	174.2	162.0
12	Transfers to Other Funds (Forecast)	2,030.1	456.5	448.0
13	TABOR Refund Obligation [Article X, Section 20 (7)(d)] (Forecast)	293.3	0.0	711.1
14	Approved Items Affecting TABOR Refund (Table 7)			-293.6
15	Total Expenditures/Obligations	\$18,572.8	\$18,292.0	\$18,644.8

Appropriations in Other Bills

Tables 5A and 5B detail *General Fund appropriations* that the JBC has approved for inclusion in separate legislation. Table 5A shows the appropriation changes approved for bills moving with the Long Bill Package.² The changes would reduce General Fund appropriations by \$0.1 million in FY 2025-26 and result in a net reduction of \$1.9 million in FY 2026-27. In FY 2026-27, line 2 shows an increase of \$63.8 million General Fund to begin paying for adult dental services in Medicaid with General Fund rather than transfers from the Unclaimed Property Trust Fund. Reductions in 13 other bills offset that increase (lines 3 through 15).

Table 5A: Approved Appropriations for Long Bill Package Bills (\$ in millions)

Line	Item	FY 2025-26	FY 2026-27
1	HCPF Immigrant services outreach	-\$0.1	
2	Treasury/HCPF - Unclaimed Property Trust Fund Bill (Adult Dental impact)		\$63.8
3	Statewide - Repeal ADLE Payments/Capital Complex Renovation		-25.3
4	HCPF - Cover All Coloradans benefits limits		-12.7
5	Tobacco - Prop EE for UPK		-10.0
6	HCPF - Extrapolation Audits		-6.9
7	Human Services - Relative Guardianship Assistance program		-4.8
8	Human Services - Repeal Substance Use Programs		-2.2
9	Education - Reduce Out-of-school Time Grant		-1.8
10	Public Health - Eliminate comprehensive sexual education		-1.0
11	HCPF - Equine therapy		-0.3
12	Human Services - Repeal County Administration Funding Model		-0.3
13	Public Safety - Cap First Responder Employer Benefit Sec. 29-5-604, C.R.S.		-0.3
14	Labor and Employment - Eliminate employment support and job retention		-0.3
15	Education - Modify legacy nutrition programs		-0.2
16	Total - Long Bill Package Bills	-\$0.1	-\$1.9

Table 5B shows the placeholders that the JBC has established for changes to General Fund appropriations in legislation *outside of the Long Bill Package*. The placeholders include increases of \$9.6 million in FY 2025-26 and \$57.7 million in FY 2026-27.

Table 5B: Approved Appropriations for Other Legislation (\$ in millions)

Line	Item	FY 2025-26	FY 2026-27
1	PITP Competency Legislation	9.6	23.2
2	Additional ITP placeholder for OSPB comeback		20.0
3	Placeholder for DOC Capacity Supplemental		5.9
4	DHS/HCPF - Placeholder for Applied Behavioral Analysis Licensing		5.0
5	DHS/HCPF - County Administration shared services		3.1
6	HCPF - Placeholder for Working Group		0.5
7	Subtotal - Placeholders for other legislation	\$9.6	\$57.7

Transfers from the General Fund for Capital-related Purposes

Table 6 shows anticipated transfers from the General Fund for capital-related purposes for FY 2025-26 and FY 2026-27.

² Not all of the bills are approved *for introduction* at this time.

Table 6: Capital-related Transfers (\$ in millions)

Line	Item	FY 2025-26	FY 2026-27
1	Transfers to Transportation (Forecast)	\$42.7	\$61.0
2	Legislation to eliminate transfer to Multi-modal Fund		-10.5
3	Transfers for capital construction (including National Western Complex)	150.0	158.6
4	Transfers for IT capital	24.2	3.4
5	Total	\$216.9	\$212.5

Impacts to the TABOR Refund

Table 7 details the items impacting the TABOR refund obligation. The March revenue forecasts do not project a TABOR refund for FY 2025-26, so the table only shows FY 2026-27 (with refunds to be paid in FY 2027-28).

To date, the Committee has approved six JBC bills with projected impacts to the refund obligation. The Committee has established placeholders for two other bills:

- Legislation (not yet introduced) to account for an asserted TABOR over-refund in FY 2024-25 (which would reduce the refund by \$153.0 million per year in FY 2026-27 and FY 2027-28).
- S.B. 26-042 (Revenue Classification Taxpayers Bill of Rights), which classifies certain revenue streams as either damage awards or collections for another government. The placeholder assumes a reduction of \$30.0 million for this bill.

Combined, the bills and placeholders reduce the refund obligation by an estimated \$293.6 million in FY 2026-27, making that amount of additional General Fund available. It is important to note that adjustments to the refund obligation only make General Fund available if the State remains far enough above the Referendum C limit.

**Table 7: Items Impacting the TABOR Refund Obligation Under Both March Forecasts
(\$ in millions)**

Line	Item	FY 2026-27
1	TABOR refund (March OSPB Forecast)	\$711.1
2	Statewide - TABOR Overrefund Correction (Statewide R2)	-\$153.0
3	Treasury/HCPF - Unclaimed Property Trust Fund legislation	-\$63.8
4	SB 26-042 Revenue Reclass Placeholder	-\$30.0
5	CY 2025 Inflation Rate Calculation Bill	-\$19.8
6	Labor and Employment - Eliminate CDOO Fee	-11.6
7	HCPF - Medicaid received by CDHS fiscal year spending	-7.1
8	Labor and Employment - Voc Rehab Double Count	-7.0
9	HCPF - Adult Dental Cap	-1.4
10	Projected remaining refund (paid in following year)	\$417.5