



# Memorandum

To: Joint Budget Committee Members  
From: Kelly Shen, JBC Staff (303-866-5434)  
Date: March 24, 2026  
Subject: Potential Legislation Packet 12

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If the Committee would like to approve a bill draft for introduction, the motion should include:

- Approve for introduction in the House as a JBC bill LLS 25-XXXX;
- When the bill should be run (with the Long Bill package or otherwise);
- Prime sponsors and co-sponsors; and
- Grant staff permission to make technical changes.

Each individual item has page numbers, but also a packet page number (P-XXX) to help navigate the whole document. The page numbers below refer to the packet page number that begins with a “P”.

## Potential Legislation

### *Statewide – Amanda Bickel*

LLS 26-0932 State Money Used to Refinance American Rescue Plan Money .....P-1

### *Education – Amanda Bickel*

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Second Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

DRAFT  
3/24/26

DRAFT

LLS NO. 26-0932.01 Conrad Imel x2313

COMMITTEE BILL

Joint Budget Committee

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**BILL TOPIC:** State Money Used to Refinance Am Rescue Plan Money

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**A BILL FOR AN ACT**

101      **CONCERNING STATE MONEY THAT WAS USED TO REFINANCE MONEY**  
102           **RECEIVED FROM THE FEDERAL CORONAVIRUS STATE FISCAL**  
103           **RECOVERY FUND, AND, IN CONNECTION THEREWITH,**  
104           **TRANSFERRING UNSPENT STATE MONEY TO THE GENERAL FUND**  
105           **AND EXTENDING CERTAIN DEADLINES FOR THE USE OF STATE**  
106           **MONEY.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)*

**Joint Budget Committee.** The bill makes the following transfers

*Capital letters or bold & italic numbers indicate new material to be added to existing law.  
Dashes through the words indicate deletions from existing law.*

to the general fund on June 30, 2026:

- \$16,547,000 from the refinance discretionary account in the ARPA refinance state money cash fund;
- \$4,085,246 from the revenue loss restoration cash fund;
- \$1,974,702 from the economic recovery and relief cash fund;
- \$1,005,850 from the behavioral and mental health cash fund; and
- \$750,190 from the state highway fund.

The bill extends the deadline from December 31, 2026, to June 30, 2027, for the department of human services to spend money appropriated in 2022 from the behavioral and mental health cash fund for capital construction related to a youth neuro-psych facility at the Colorado mental health institute at Fort Logan. The bill delays a corresponding transfer of money from the behavioral and mental health cash fund.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2           **SECTION 1.** In Colorado Revised Statutes, 24-75-226.5, **add**  
3 (6.5) as follows:

4           **24-75-226.5. ARPA refinance state money cash fund - creation**  
5 **- reduction in general fund appropriations - legislative intent -**  
6 **definitions - repeal.**

7           (6.5) ON JUNE 30, 2026, THE STATE TREASURER SHALL TRANSFER  
8 FROM THE REFINANCE DISCRETIONARY ACCOUNT TO THE GENERAL FUND  
9 SIXTEEN MILLION FIVE HUNDRED FORTY-SEVEN THOUSAND DOLLARS.

10           **SECTION 2.** In Colorado Revised Statutes, 24-75-227, **amend**  
11 (3.8) as follows:

12           **24-75-227. Revenue loss restoration cash fund - creation -**  
13 **allowable uses - definitions - repeal.**

14           (3.8) (a) On June 30, 2025, the state treasurer shall transfer from  
15 the fund to the general fund twelve million four hundred sixty-one  
16 thousand four hundred ninety-four dollars and ten cents of money that did  
17 not originate from the money the state received from the coronavirus state

1 fiscal recovery fund.

2 (b) ON JUNE 30, 2026, THE STATE TREASURER SHALL TRANSFER  
3 FROM THE FUND TO THE GENERAL FUND FOUR MILLION EIGHTY-FIVE  
4 THOUSAND TWO HUNDRED FORTY-SIX DOLLARS OF MONEY THAT DID NOT  
5 ORIGINATE FROM THE MONEY THE STATE RECEIVED FROM THE  
6 CORONAVIRUS STATE FISCAL RECOVERY FUND.

7 **SECTION 3.** In Colorado Revised Statutes, 24-75-228, **add** (5.3)  
8 as follows:

9 **24-75-228. Economic recovery and relief cash fund - creation**  
10 **- allowable uses - interim task force - report - legislative declaration**  
11 **- definitions - repeal.**

12 (5.3) ON JUNE 30, 2026, THE STATE TREASURER SHALL TRANSFER  
13 FROM THE FUND TO THE GENERAL FUND ONE MILLION NINE HUNDRED  
14 SEVENTY-FOUR THOUSAND SEVEN HUNDRED TWO DOLLARS OF MONEY  
15 THAT DID NOT ORIGINATE FROM THE MONEY THE STATE RECEIVED FROM  
16 THE CORONAVIRUS STATE FISCAL RECOVERY FUND.

17 **SECTION 4.** In Colorado Revised Statutes, 24-75-230, **amend**  
18 (4.8); and **add** (4.5) and (4.9) as follows:

19 **24-75-230. Behavioral and mental health cash fund - creation**  
20 **- allowable uses - task force - definitions - repeal.**

21 (4.5) ON JUNE 30, 2026, THE STATE TREASURER SHALL TRANSFER  
22 FROM THE FUND TO THE GENERAL FUND ONE MILLION FIVE THOUSAND  
23 EIGHT HUNDRED FIFTY DOLLARS OF MONEY THAT DID NOT ORIGINATE  
24 FROM THE MONEY THE STATE RECEIVED FROM THE CORONAVIRUS STATE  
25 FISCAL RECOVERY FUND.

26 (4.8) Pursuant to section ~~24-75-226.5(6)~~, On December 31, 2026,  
27 the state treasurer shall transfer any unexpended and unencumbered

1 money in the fund that originates from the ARPA refinance state money  
2 cash fund to the ARPA refinance state money cash fund; EXCEPT THAT,  
3 NOTWITHSTANDING SECTION 24-75-226.5 (6), THE STATE TREASURER  
4 SHALL NOT TRANSFER UNSPENT MONEY APPROPRIATED FROM THE FUND TO  
5 THE DEPARTMENT OF HUMAN SERVICES FOR CAPITAL CONSTRUCTION  
6 RELATED TO THE CONSTRUCTION OF A NEURO-PSYCH FACILITY AT THE  
7 COLORADO MENTAL HEALTH INSTITUTE AT FORT LOGAN.

8 (4.9) ON JUNE 30, 2027, THE STATE TREASURER SHALL TRANSFER  
9 THE UNEXPENDED AND UNENCUMBERED MONEY IN THE FUND THAT DID  
10 NOT ORIGINATE FROM THE MONEY THE STATE RECEIVED FROM THE  
11 CORONAVIRUS STATE FISCAL RECOVERY FUND TO THE GENERAL FUND.

12 **SECTION 5.** In Colorado Revised Statutes, 24-75-219, **add** (7)(l)  
13 as follows:

14 **24-75-219. Transfers - transportation - capital construction -**  
15 **definitions.**

16 (7) In addition to any other transfers required by this section:

17 (l) ON JUNE 30, 2026, THE STATE TREASURER SHALL TRANSFER  
18 FROM THE STATE HIGHWAY FUND TO THE GENERAL FUND SEVEN HUNDRED  
19 FIFTY THOUSAND ONE HUNDRED NINETY DOLLARS OF MONEY THAT DID  
20 NOT ORIGINATE FROM THE MONEY THE STATE RECEIVED FROM THE  
21 FEDERAL CORONAVIRUS STATE FISCAL RECOVERY FUND.

22 **SECTION 6. Appropriation to the department of human**  
23 **services for the fiscal year beginning July 1, 2022.** In Session Laws of  
24 Colorado 2022, **amend** section 10 of chapter 185, (HB22-1283), as  
25 amended by section 63 of chapter 429, (HB24-1466), as follows:

26 Section 10. **Capital construction appropriation.** For the 2022-23  
27 state fiscal year, \$35,000,000 is appropriated to the department of human

1 services. This appropriation is from the behavioral and mental health cash  
2 fund created in section 24-75-230 (2)(a), C.R.S. Of this amount,  
3 \$30,236,662 originates from the general fund and \$4,763,338 is of money  
4 the state received from the federal coronavirus state fiscal recovery fund.  
5 To implement this act, the department may use this appropriation for  
6 capital construction related to the construction of a neuro-psych facility  
7 at the Colorado mental health institute at Fort Logan. Any money  
8 appropriated in this section not expended prior to July 1, 2023, THAT IS OF  
9 MONEY THE STATE RECEIVED FROM THE FEDERAL CORONAVIRUS STATE  
10 FISCAL RECOVERY FUND is further appropriated to the administration from  
11 July 1, 2023, through December 31, 2026, for the same purpose. ANY  
12 MONEY APPROPRIATED IN THIS SECTION NOT EXPENDED PRIOR TO JULY 1,  
13 2023, THAT DID NOT ORIGINATE FROM THE MONEY THE STATE RECEIVED  
14 FROM THE CORONAVIRUS STATE FISCAL RECOVERY FUND IS FURTHER  
15 APPROPRIATED TO THE ADMINISTRATION FROM JULY 1, 2023, THROUGH  
16 JUNE 30, 2027, FOR THE SAME PURPOSE. Money that originated from the  
17 federal coronavirus state fiscal recovery fund shall be obligated and  
18 expended in accordance with section 24-75-226, C.R.S.

19 **SECTION 7. Safety clause.** The general assembly finds,  
20 determines, and declares that this act is necessary for the immediate  
21 preservation of the public peace, health, or safety or for appropriations for  
22 the support and maintenance of the departments of the state and state  
23 institutions.



# Additional Information and Decisions - Bills

## Department of Education

**JBC Staff:** Amanda Bickel, (303-866-4960)  
**Date:** March 25, 2026

### Teacher Recruitment and Education Program (TREP) Appropriation Clause

The Committee approved drafting for a bill to phase out the Teacher Recruitment Education and Preparation (TREP) program. The bill draft (LLS 26-886) is included in this packet. Based on the JBC’s previous decisions, this bill:

- Reduce the rate paid to districts per student to **\$7,104** for FY 2026-27 and FY 2027-28.
- No student should be allowed to participate in FY 2026-27 who was not already enrolled for their 5<sup>th</sup> year in FY 2025-26.
- The program would then repeal after the close of FY 2026-27.

The Long Bill is required to include a footnote identifying TREP funding calculations. Because of this, the appropriation clause for this bill will need to amend the Long Bill in a landscape format (be a “double draft” of the school finance section of the Long Bill) and will be added through an amendment in the House Appropriations Committee.

Staff is therefore providing the amounts that will be included in the appropriations clause. These are shown in the table below. Legislative Council Staff provided the calculations to ensure “hold harmless” components of the school finance act were properly incorporated.

**TREP Bill FY 2026-27 Appropriations Changes – State Education Fund**

	Current Law	TREP bill	Change
TREP FTE	250.0	137.5	-112.5
Funding per FTE	\$10,721	\$7,104	-\$3,617
Extended High School line item	\$2,680,250	\$976,800	-\$1,703,450
State Share of Districts' Total Program Funding (hold harmless)			\$80,696

The tables below show the impact of the bill over two years, based on the LCS School Finance Model. The net state funds impact is incorporated in the table above in two line items: Extended High school and State Share of Districts' Total Program.

**FY 26-27 TREP Bill Impact**

	Current Law	With TREP Bill	Change
Funded Pupil Count	827,582.3	827,526.8	-55.5
Total Program	\$10,182,392,436	\$10,180,753,870	-\$1,638,566
State Share	\$5,571,520,196	\$5,569,897,442	-\$1,622,754
Local Share	\$4,610,872,239	\$4,610,856,427	-\$15,812
Hold Harmless - Districts	30	30	0
Hold Harmless - Amount	\$20,744,627	\$20,821,314	\$76,688

**FY 27-28 TREP Bill Impact**

	Current Law	With TREP Bill	Change
Funded Pupil Count	818,965.4	818,788.2	-177.2
Total Program	\$10,332,998,847	\$10,330,258,618	-\$2,740,230
State Share	\$5,677,560,210	\$5,674,835,169	-\$2,725,041
Local Share	\$4,655,438,638	\$4,655,423,449	-\$15,189
Hold Harmless - Districts	13	13	0
Hold Harmless - Amount	\$11,707,007	\$11,554,661	-\$152,346

## Legacy School Foods Program

During briefing and figure setting for the Department of Education, the JBC approved drafting for a bill to enable the use of the Healthy School Meals for All Program Fund to pay for some legacy school food program appropriations. The related bill draft (LLS 26-529) is ready for JBC review. Staff had also anticipated that some of these legacy programs would be suspended or eliminated. However, based on further communication with the Department, the programs addressed in the bill are generally continuing but at a lower funding level in some cases. The bill makes these allowed uses of HSMA funds (similar to SNAP). Staff is therefore refinancing these programs with HSMA money. The following table summarizes the fiscal impact of the bill on appropriations. In addition, the bill authorizes transfer of the balance of money in the Smart Start Nutrition Program Fund (approximately \$400,000) to the General Fund.

**FY 2026-27 appropriations**

Program/Line Item	Reduction	Fund Source	Increase	Fund Source
State Match for School Lunch	-\$2,472,644	State Public School Fund	\$2,472,644	Healthy School Meals for All Fund
Child Nutrition Lunch Protection	-841,460	State Education Fund	235,000	Healthy School Meals for All Fund

Program/Line Item	Reduction	Fund Source	Increase	Fund Source
Smart Start Nutrition Program	-296,484	Smart Start Nutrition Program Fund	65,000	Healthy School Meals for All Fund
Summer Electronic Benefits Transfer for Children	-229,097	General Fund	229,097	Healthy School Meals for All Fund
<b>TOTAL</b>	<b>-\$3,839,685</b>	<b>Various</b>	<b>\$3,001,741</b>	<b>HSMA Fund</b>

Second Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

DRAFT  
3/20/26

DRAFT

LLS NO. 26-0886.01 Jacob Baus x2173

COMMITTEE BILL

Joint Budget Committee

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**BILL TOPIC:** Phase-Out of TREP Program  
**DEADLINES:** File by: 2/6/2026

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**A BILL FOR AN ACT**

101 **CONCERNING PHASING OUT THE TEACHER RECRUITMENT EDUCATION**  
102 **AND PREPARATION PROGRAM.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)*

**Joint Budget Committee.** The bill repeals the teacher recruitment and preparation program (TREP) after the 2026-27 budget year. Because TREP is a 2-year program, the bill prohibits the department of education from designating any new qualified students for the TREP program beginning in the 2026-27 budget year.

For the 2026-27 budget year, the bill caps the amount that a district

*Capital letters or bold & italic numbers indicate new material to be added to existing law.  
Dashes through the words indicate deletions from existing law.*

receives for a student participating in TREP under the school finance formulas at \$7,104.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2           **SECTION 1.** In Colorado Revised Statutes, 22-35-108.5, **repeal**  
3 (7); and **add** (9) and (10) as follows:

4           **22-35-108.5. Teacher recruitment education and preparation**  
5 **(TREP) program - objectives - selection criteria - rules - definition -**  
6 **repeal.**

7           ~~(7) On or before July 1, 2031, the department shall prepare and~~  
8 ~~submit to the education committees of the senate and house of~~  
9 ~~representatives, or any successor committees, a report concerning the~~  
10 ~~outcomes achieved by the TREP program and the effectiveness of the~~  
11 ~~TREP program in meeting the objectives described in section 22-35-108.5~~  
12 ~~(1). Based on the outcomes achieved and the evaluation of effectiveness,~~  
13 ~~the department shall include in the report a recommendation as to whether~~  
14 ~~the TREP program should be continued, amended, or repealed.~~

15           (9) (a) NOTWITHSTANDING ANY LAW TO THE CONTRARY, THE  
16 DEPARTMENT SHALL NOT DESIGNATE A QUALIFIED STUDENT AS A NEW  
17 TREP PROGRAM PARTICIPANT FOR THE 2026-27 STATE FISCAL YEAR OR  
18 FOR ANY STATE FISCAL YEAR THEREAFTER.

19           (b) THIS SUBSECTION (9) DOES NOT AFFECT THE DESIGNATION OF  
20 A QUALIFIED STUDENT AS A TREP PROGRAM PARTICIPANT FOR A  
21 QUALIFIED STUDENT WHO WAS DESIGNATED FOR THE 2025-26 STATE  
22 FISCAL YEAR OR FOR ANY PRIOR STATE FISCAL YEAR.

23           (10) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2027.

24           **SECTION 2.** In Colorado Revised Statutes, 22-54-103.5, **add**  
25 (8)(d) as follows:

1           **22-54-103.5. District total program - rules - legislative**  
2 **declaration - repeal.**

3           **(8) District extended high school funding.**

4           (d) (I) NOTWITHSTANDING SUBSECTIONS (8)(a) AND (8)(b) OF THIS  
5 SECTION, FOR THE 2026-27 BUDGET YEAR, THE DOLLAR AMOUNT THAT IS  
6 MULTIPLIED BY THE NUMBER OF FULL-TIME EQUIVALENT STUDENTS  
7 INCLUDED IN THE DISTRICT'S HIGH SCHOOL PUPIL ENROLLMENT WHO ARE  
8 THE DISTRICT'S TREP PROGRAM PARTICIPANTS IS SEVEN THOUSAND ONE  
9 HUNDRED FOUR DOLLARS (\$7,104).

10           (II) THIS SUBSECTION (8)(d) IS REPEALED, EFFECTIVE JULY 1, 2027.

11           **SECTION 3.** In Colorado Revised Statutes, 22-54-104, **add**  
12 **(4.7)(f)** as follows:

13           **22-54-104. District total program - legislative declaration -**  
14 **definitions - repeal.**

15           (4.7) (f) (I) NOTWITHSTANDING SUBSECTIONS (4.7)(a) AND  
16 (4.7)(d) OF THIS SECTION, FOR THE 2026-27 BUDGET YEAR, THE DOLLAR  
17 AMOUNT THAT IS MULTIPLIED BY THE NUMBER OF FULL-TIME EQUIVALENT  
18 STUDENTS INCLUDED IN THE DISTRICT'S HIGH SCHOOL PUPIL ENROLLMENT  
19 WHO ARE THE DISTRICT'S TREP PROGRAM PARTICIPANTS IS SEVEN  
20 THOUSAND ONE HUNDRED FOUR DOLLARS (\$7,104).

21           (II) THIS SUBSECTION (4.7)(f) IS REPEALED, EFFECTIVE JULY 1,  
22 2027.

23           **SECTION 4.** In Colorado Revised Statutes, 22-30.5-112.2,  
24 **amend as it will become effective July 1, 2026, (2)(b); and repeal (1)(f)**  
25 **as follows:**

26           **22-30.5-112.2. Charter schools - at-risk supplemental aid -**  
27 **legislative declaration - definitions - repeal.**

1 (1) As used in this section, unless the context otherwise requires:

2 (f) ~~"TREP program" means the teacher recruitment education and~~  
3 ~~preparation program created in section 22-35-108.5.~~

4 (2) (b) (I) Each qualifying school district must receive at-risk  
5 supplemental aid if the percentage of at-risk pupils in a district charter  
6 school authorized by the qualifying school district prior to July 1, 2004,  
7 is less than the percentage of at-risk pupils in the qualifying school  
8 district. The amount of the school district's at-risk supplemental aid is  
9 equal to the difference between one hundred percent of district per pupil  
10 revenues and one hundred percent of adjusted district per pupil revenues  
11 for each pupil enrolled in the district charter school, not including online  
12 pupils. ~~or pupils enrolled in the TREP program.~~

13 (II) Each district charter school in a qualifying school district that  
14 was initially authorized prior to July 1, 2004, must receive at-risk  
15 supplemental aid if the percentage of at-risk students in the district charter  
16 school exceeds the percentage of at-risk pupils in the qualifying school  
17 district. The amount of the district charter school's at-risk supplemental  
18 aid is equal to the difference between one hundred percent of adjusted  
19 district per pupil revenues and one hundred percent of district per pupil  
20 revenues for each pupil enrolled in the district charter school, not  
21 including online pupils. ~~or pupils enrolled in the TREP program.~~ A school  
22 district shall pass through one hundred percent of a district charter  
23 school's at-risk supplemental aid to the district charter school.

24 (III) Each district charter school in a school district that is not a  
25 qualifying district and whose percentage of at-risk pupils exceeds the  
26 percentage of at-risk pupils in the chartering school district must receive  
27 at-risk supplemental aid. The amount of the district charter school's

1 at-risk supplemental aid is equal to the difference between one hundred  
2 percent of adjusted district per pupil revenues and one hundred percent  
3 of district per pupil revenues for each pupil enrolled in the district charter  
4 school, not including online pupils. ~~or pupils enrolled in the TREP~~  
5 ~~program.~~ A school district shall pass through one hundred percent of a  
6 district charter school's at-risk supplemental aid to the district charter  
7 school.

8 **SECTION 5.** In Colorado Revised Statutes, 22-30.5-513, **amend**  
9 **as it will become effective July 1, 2026,** (4.5)(b) as follows:

10 **22-30.5-513. Institute charter schools - funding - at-risk**  
11 **supplemental aid - legislative declaration - definitions - repeal.**

12 (4.5) (b) The institute charter school's at-risk supplemental aid is  
13 equal to one-half of the difference between one hundred percent of the  
14 accounting district's per pupil revenues and one hundred percent of the  
15 accounting district's adjusted per pupil revenues for each pupil enrolled  
16 in the district charter school, not including online pupils. ~~or pupils~~  
17 ~~enrolled in the TREP program.~~

18 **SECTION 6.** In Colorado Revised Statutes, 22-30.5-525, **amend**  
19 (1) as follows:

20 **22-30.5-525. Individual career and academic plans.**

21 (1) Each institute charter school shall assist each student and the  
22 student's parent or legal guardian to develop and maintain the student's  
23 individual career and academic plan, referred to in this section as an  
24 "ICAP", no later than the beginning of ninth grade but may assist the  
25 student and the student's parent or legal guardian to develop and maintain  
26 the student's ICAP in any grade prior to ninth grade. In assisting a student  
27 and his or her parent or legal guardian in creating and maintaining the

1 ICAP, the institute charter school shall, at a minimum, discuss with the  
2 student and parent or legal guardian the various career pathways created  
3 pursuant to sections 23-60-110 and 24-46.3-104 and the types of  
4 certificates and jobs to which each pathway leads and discuss the skills  
5 and educational opportunities available through military enlistment. ~~In~~  
6 ~~discussing the teaching career pathway described in section 23-60-110,~~  
7 ~~each institute charter school is encouraged to provide to the student~~  
8 ~~information concerning the TREP program created in section~~  
9 ~~22-35-108.5.~~ In discussing military enlistment with a student and the  
10 student's parent, each institute charter school is encouraged to provide to  
11 the student information concerning the military enlistment test. Each  
12 student's ICAP must comply with the requirements specified in section  
13 22-2-136 and the rules promulgated by the state board of education  
14 pursuant to said section. As part of the process of establishing the  
15 individual career and academic plan, the student and the student's parents  
16 must be made aware of the importance of completing the free application  
17 for federal student aid or the Colorado application for state financial aid,  
18 or successor forms for accessing federal and state financial aid, and be  
19 provided help in completing the forms, if requested.

20 **SECTION 7.** In Colorado Revised Statutes, 22-32-109, **amend**  
21 (1)(oo)(III)(B.5) as follows:

22 **22-32-109. Board of education - specific duties - definitions.**

23 (1) In addition to any other duty required to be performed by law,  
24 each board of education has the following specific duties:

25 (oo) (III) At a minimum, each public school shall ensure that, in  
26 developing and maintaining each student's ICAP, the counselor or teacher  
27 explains to the student's parent or legal guardian, by electronic mail or

1 other written form, and to the student:

2 (B.5) The teaching career pathway created pursuant to section  
3 23-60-110 and the career opportunities to which the pathway leads; ~~and~~  
4 ~~information concerning participation in the TREP program created in~~  
5 ~~section 22-35-108.5;~~

6 **SECTION 8.** In Colorado Revised Statutes, 22-35-103, **repeal**  
7 (18) as follows:

8 **22-35-103. Definitions - repeal.**

9 As used in this article 35, unless the context otherwise requires:

10 (18) ~~"TREP program" means the teacher recruitment education~~  
11 ~~and preparation program created in section 22-35-108.5.~~

12 **SECTION 9.** In Colorado Revised Statutes, 22-35-104, **amend**  
13 **as it will become effective July 1, 2026,** (1)(d) introductory portion as  
14 follows:

15 **22-35-104. Enrollment in an institution of higher education -**  
16 **cooperative agreement.**

17 (1) (d) Notwithstanding the provisions of subsection (1)(a) of this  
18 section, if a qualified student ~~is not a participant in the TREP program~~  
19 ~~and~~ has not satisfied the minimum requirements for graduation  
20 established by the qualified student's local education provider by the end  
21 of their twelfth-grade year and is therefore retained by the local education  
22 provider for additional instruction, the qualified student must not  
23 concurrently enroll in postsecondary courses, including academic or  
24 career and technical education courses, that may include coursework  
25 related to apprenticeship programs or internship programs, that are worth  
26 more than a total of nine credit hours, including gateway courses, as  
27 defined in section 23-1-113 (11)(b.5), with additional supports through

1 supplemental academic instruction, as defined in section 23-1-113  
2 (11)(e). Furthermore, the qualified student must not concurrently enroll  
3 in more than:

4 **SECTION 10.** In Colorado Revised Statutes, 22-35-107, **repeal**  
5 **as it will become effective July 1, 2026,** (6)(a) as follows:

6 **22-35-107. Concurrent enrollment advisory board - created -**  
7 **membership - duties - reports - repeal.**

8 (6) The board has the following duties:

9 (a) ~~Establishing guidelines for the administration of the TREP~~  
10 ~~program pursuant to section 22-35-108.5 (4);~~

11 **SECTION 11.** In Colorado Revised Statutes, 22-35-110, **amend**  
12 (1) as follows:

13 **22-35-110. Exclusions.**

14 (1) ~~Except for courses offered as part of the TREP program~~  
15 ~~pursuant to section 22-35-108.5,~~ This article 35 does not apply to any  
16 course that is offered as part of a program of off-campus instruction  
17 established pursuant to section 23-1-109 (1) to (5).

18 **SECTION 12.** In Colorado Revised Statutes, 22-35-113, **amend**  
19 **as it will become effective July 1, 2026,** (1)(a) as follows:

20 **22-35-113. Concurrent enrollment - website.**

21 (1) By July 1, 2020, the department of education and the  
22 department of higher education, with advice from the state board, shall  
23 make available to the public a concurrent enrollment website to provide  
24 information to students, parents, and legal guardians concerning  
25 concurrent enrollment options and requirements. The departments must  
26 ensure that the website is clear, easy to navigate, and generally  
27 user-friendly. In addition, the website must, at a minimum:

1 (a) Clearly explain, differentiate, compare, and contrast  
2 concurrent enrollment; dual enrollment programs; early college; ~~the~~  
3 ~~TREP program~~; p-tech high schools, as defined in section 22-35.3-102;  
4 international baccalaureate programs; and advanced placement courses;

5 **SECTION 13.** In Colorado Revised Statutes, **repeal** 22-35-116.

6 **SECTION 14.** In Colorado Revised Statutes, 22-35.3-103,  
7 **amend as it will become effective July 1, 2026,** (4) as follows:

8 **22-35.3-103. Pathways in technology early college high schools**  
9 **- design - requirements - approval.**

10 (4) A p-tech school is subject to the state assessment requirements  
11 specified in section 22-7-1006.3 and the accountability requirements  
12 specified in article 11 of this title 22. In addition, the commissioner and  
13 the executive director may establish indicators for measuring the  
14 performance of each p-tech school, which indicators may include the  
15 ability of students who graduate from a p-tech school to obtain  
16 employment in the field or to pursue additional postsecondary education  
17 in the field, as well as any relevant performance indicators established for  
18 the concurrent enrollment ~~and TREP programs~~ PROGRAM.

19 **SECTION 15.** In Colorado Revised Statutes, 22-54-103, **amend**  
20 **as it will become effective July 1, 2026,** (5.2); and **repeal** (16) as  
21 follows:

22 **22-54-103. Definitions - repeal.**

23 As used in this article 54, unless the context otherwise requires:

24 (5.2) "District extended high school pupil enrollment" means the  
25 number of pupils, on the pupil enrollment count day within the applicable  
26 budget year, who are concurrently enrolled in a postsecondary course,  
27 including an academic course or a career and technical education course,

1 as a participant in the ~~TREP program~~ and the number of pupils, on the  
2 pupil enrollment count day within the applicable budget year, who are  
3 enrolled in grade thirteen or fourteen in a p-tech school. A pupil enrolled  
4 in a p-tech school pursuant to article 35.3 of this title 22 must be included  
5 in the district extended high school pupil enrollment as a full-time  
6 student. ~~A TREP program participant who is enrolled in at least twelve~~  
7 ~~credit hours of postsecondary courses, including academic courses and~~  
8 ~~career and technical education courses, as of the pupil enrollment count~~  
9 ~~day of the applicable budget year must be included in the district extended~~  
10 ~~high school pupil enrollment as a full-time pupil. A TREP program~~  
11 ~~participant who is enrolled in less than twelve credit hours of~~  
12 ~~postsecondary courses, including academic courses and career and~~  
13 ~~technical education courses, as of the pupil enrollment count day of the~~  
14 ~~applicable budget year must be included in the district extended high~~  
15 ~~school pupil enrollment as a part-time pupil.~~

16 (16) ~~"TREP program" means the teacher recruitment education~~  
17 ~~and preparation program created in section 22-35-108.5.~~

18 **SECTION 16.** In Colorado Revised Statutes, 22-54-205, **amend**  
19 (2)(a) as follows:

20 **22-54-205. Sustain funding - rules - repeal.**

21 (2) (a) A local education provider is eligible to receive  
22 reimbursement for students who, in the preceding budget year,  
23 successfully satisfied postsecondary credit, received an  
24 industry-recognized credential, or satisfied work-based learning  
25 requirements as specified by state board rule. A local education provider  
26 is eligible to receive multiple reimbursements for one student. A local  
27 education provider is eligible for reimbursement for students who are

1 enrolled in a p-tech school. ~~or participating in a TREP program.~~

2           **SECTION 17.** In Colorado Revised Statutes, 22-60.5-209.1,  
3 **repeal** (1)(a)(I) as follows:

4           **22-60.5-209.1. Department of education - adjunct instructor**  
5 **authorization - alternative teacher programs - information.**

6           (1) (a) The department shall direct resources toward publicizing  
7 the existence of:

8           (I) ~~The teacher recruitment education and preparation program~~  
9 ~~established in section 22-35-108.5;~~

10           **SECTION 18. Effective date.** This act takes effect upon passage;  
11 except that sections 4 to 17 of this act take effect July 1, 2027.

12           **SECTION 19. Safety clause.** The general assembly finds,  
13 determines, and declares that this act is necessary for the immediate  
14 preservation of the public peace, health, or safety or for appropriations for  
15 the support and maintenance of the departments of the state and state  
16 institutions.



# Memorandum

To: Members of the Joint Budget Committee  
From: Andrew McLeer, JBC Staff (303-866-4959)  
Date: March 23, 2026  
Subject: Transfer from the Affordable Housing Financing Fund to the General Fund

---

On January 22, 2026, the Committee approved a bill draft for changes to the Proposition 123 statute for affordable housing. This includes the following changes:

- Temporary changes to the permitted allocations of funds across land banking, concessionary debt and equity categories;
- Spending authority on interest earned in the Affordable Housing Financing Fund;
- Adjustments to permitted administration spending, given the proposed reduction in the diversion; and
- Flexibility on the timing of the forecast used to determine if balancing action is necessary.

**In addition to these changes, staff is recommending approval of the transfer of \$110.0 million from the Affordable Housing Financing Fund to the General Fund in FY 2025-26 for budget balancing purposes, which has been incorporated into the bill draft.** During the supplemental and figure setting process, staff withheld a recommendation on the requested \$110.0 million transfer from the Affordable Housing Financing Fund to the General Fund until after the March forecast, due to the potential TABOR interactions with the funds. Presently, the funds in the Affordable Housing Financing Fund are TABOR exempt. The Governor's Office has argued that these funds remain TABOR exempt if they are transferred to the General Fund. However, staff and the Office of Legislative Legal Services (OLLS) remain uncertain of this designation. While this transfer is recommended for budget balancing purposes, staff wishes to highlight the potential risk of this transfer.

Under the most recent forecast from the Office of State Planning and Budgeting, the state was projected to be \$229.0 million below the TABOR cap. In the request, the Governor's Office assumed that this transferred revenue remains TABOR exempt. However, if the revenue is not TABOR exempt, there is potential risk, should actual revenues exceed projections at the time of TABOR certification on September 1, 2026. Under Article X, Section 20 of the Colorado Constitution, any excess revenues would create a TABOR refund obligation in 2027, should they be deemed to be subject to TABOR. The risk increases if the revenue is treated as TABOR exempt initially, but is found to have been an excess revenue in the future, which would create an obligation to refund the excess revenue plus 10.0 percent simple interest for up to for years on the revenue beyond the Referendum C cap.

Given the projected General Fund shortfall, staff views this transfer as a relatively low risk budget balancing option, but does note that it is not totally without risk, as an increase in revenues coupled with a future change

in the treatment of the revenue (such as through litigation) could result in an obligation to refund the excess revenue and simple interest for the intervening years.

Staff also notes that the updated bill draft language on pages 7 and 8 does not allow for transferring funds in the *current* fiscal year for budget balancing purposes. Staff recommends that this be updated to permit a single transfer in FY 2025-26. Staff does have concerns that this may also have implications for the TABOR status of the funds, as the original statute only contemplated transfers in future fiscal years.

Second Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

REDRAFT

3/23/26

Double underlining  
denotes changes from  
prior draft

DRAFT

LLS NO. 26-0846.01 Pierce Lively x2059

COMMITTEE BILL

Joint Budget Committee

---

**BILL TOPIC:** Affordable Housing Financing Fund

---

**A BILL FOR AN ACT**

101 **CONCERNING THE AFFORDABLE HOUSING FINANCING FUND.**

---

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)*

**Joint Budget Committee.** The bill directs the state treasurer to transfer \$110 million from the state affordable housing fund (fund) to the general fund on June 30, 2026, and makes 3 corresponding adjustments to the affordable housing financing fund (financing fund). First, the bill adjusts the July 1, 2026, transfer from the fund to the financing fund to be reduced by the amount of the June 30, 2026, transfer from the state affordable housing fund. Second, for the 2026-2027 state fiscal year only, the bill adjusts the prioritization of programs funded by the financing

*Capital letters or bold & italic numbers indicate new material to be added to existing law.  
Dashes through the words indicate deletions from existing law.*

fund, so that the programs are funded in the following order: The concessionary debt program, the affordable housing equity program, and the land banking program. Third, the bill ensures that this transfer does not reduce the amount that may be spent on administrative expenses for implementing programs funded by the financing fund in the 2026-27 state fiscal year and pools the costs of administering these programs for fiscal years beginning with the 2026-27 state fiscal year.

The bill clarifies that interest and investment income earned on the financing fund may be expended for projects funded by the fund.

Under current law, if legislative council staff's March economic and revenue forecast projects that state revenue will not exceed the state fiscal year spending limit, the general assembly reduces the funding allocated to the financing fund. The bill allows for the general assembly to so reduce the funding allocated to the financing fund for the \_\_\_\_\_ state fiscal year for which a revenue forecasts projects that state revenue will not exceed the state fiscal year spending limit.

---

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 29-32-103, **amend**  
3 (2) and (3) as follows:

4 **29-32-103. Transfers of money - permitted uses of the fund -**  
5 **continuous appropriation - repeal.**

6 (2) (a) The affordable housing financing fund is hereby created in  
7 the state treasury. The financing fund shall consist of money deposited  
8 into it under subsection (3) of this section. The office shall administer the  
9 financing fund and expend the money in the financing fund only for the  
10 purposes set forth in section 29-32-104 (1) and for the ~~office's~~  
11 ~~administrative expenses related to the programs created in that section~~  
12 PERMITTED PURSUANT TO SUBSECTION (2)(b)(II) OF THIS SECTION. All  
13 money not expended or encumbered, and all interest earned on the  
14 investment or deposit of money in the financing fund, shall remain in the  
15 financing fund and shall not revert to the general fund or any other fund  
16 at the end of any fiscal year. ~~All money transferred to the~~ MONEY IN THE

1 financing fund pursuant to subsection (3) of this section is continuously  
2 appropriated to the office for the purposes set forth in section 29-32-104  
3 (1) and this section.

4 (b) (I) (A) FOR THE STATE FISCAL YEAR THAT BEGINS ON JULY 1,  
5 2026, THE ADMINISTRATOR AND THE OFFICE COMBINED MAY EXPEND AN  
6 AMOUNT TO PAY FOR THE COSTS OF ADMINISTERING THE PROGRAMS  
7 DESCRIBED IN SECTION 29-32-104 (1) THAT IS EQUAL TO TWO PERCENT OR  
8 LESS OF THE AMOUNT THAT THE STATE TREASURER WOULD TRANSFER  
9 FROM THE FUND TO THE FINANCING FUND FOR THE STATE FISCAL YEAR, IF  
10 NOT FOR THE DIVERSION REQUIRED PURSUANT TO SECTION 29-32-103  
11 (3)(b).

12 (B) THIS SUBSECTION (2)(b)(I) IS REPEALED, EFFECTIVE JULY 1,  
13 2027.

14 (II) FOR STATE FISCAL YEARS THAT BEGIN ON OR BEFORE JULY 1,  
15 2025, AND ON OR AFTER JULY 1, 2027, THE ADMINISTRATOR AND THE  
16 OFFICE COMBINED SHALL EXPEND NO MORE THAN TWO PERCENT OF THE  
17 FUNDS THAT THE STATE TREASURER TRANSFERS FROM THE FUND TO THE  
18 FINANCING FUND FOR THE STATE FISCAL YEAR TO PAY FOR THE COSTS OF  
19 ADMINISTERING THE PROGRAMS DESCRIBED IN SECTION 29-32-104 (1).

20 (3) (a) On July 1, 2023, or as soon as practicable thereafter, and  
21 on July 1 of each state fiscal year thereafter, EXCEPT FOR JULY 1, 2026, the  
22 state treasurer shall transfer forty percent of the balance of the fund on the  
23 date of the transfer to the support fund and sixty percent of the balance of  
24 the fund on the date of the transfer to the financing fund.

25 (b) (I) NOTWITHSTANDING SUBSECTION (3)(a) OF THIS SECTION, ON  
26 JUNE 30, 2026, THE STATE TREASURER SHALL TRANSFER ONE HUNDRED  
27 AND TEN MILLION DOLLARS FROM THE FUND TO THE GENERAL FUND.

1 (II) PURSUANT TO SECTIONS 29-32-102 (1) AND 29-32-104 (5), THE  
2 MONEY TRANSFERRED BY THE STATE TREASURER PURSUANT TO  
3 SUBSECTION (3)(b)(I) OF THIS SECTION IS NOT SUBJECT TO THE LIMITATION  
4 ON FISCAL YEAR SPENDING SPECIFIED IN SECTION 20 OF ARTICLE X OF THE  
5 STATE CONSTITUTION.

6 (III) ON JULY 1, 2026, OR AS SOON AS PRACTICABLE THEREAFTER,  
7 THE STATE TREASURER SHALL TRANSFER AN AMOUNT EQUAL TO FORTY  
8 PERCENT OF THE BALANCE OF THE FUND IMMEDIATELY BEFORE THE  
9 TRANSFER DESCRIBED IN SUBSECTION (3)(b)(I) OF THIS SECTION TO THE  
10 SUPPORT FUND AND SHALL TRANSFER THE REMAINING BALANCE OF THE  
11 FUND TO THE FINANCING FUND.

12 (IV) THIS SUBSECTION (3)(b) IS REPEALED, EFFECTIVE JULY 1,  
13 2027.

14 **SECTION 2.** In Colorado Revised Statutes, 29-32-104, **amend**  
15 (1) introductory portion, (1)(a), (1)(b), (1)(c)(V)(B), (2), and (5) as  
16 follows:

17 **29-32-104. Permissible expenditures - affordable housing**  
18 **programs - report - definitions.**

19 (1) The office shall contract with the administrator. The office  
20 may select an administrator without a competitive procurement process  
21 but shall announce the contract opening publicly and select the  
22 administrator in a meeting that is open to the public, no less than  
23 seventy-two hours after notice of such meeting is publicly available. No  
24 single contract may exceed five years in duration. Upon the expiration of  
25 any contract term, the office may renew the contract with the same  
26 administrator or may select another administrator. The administrator  
27 selected by the office shall expend ~~the money transferred to~~ FROM the

1 financing fund ~~in section 29-32-103 (2)~~ that the administrator receives  
2 from the office to support the following programs only:

3 (a) A land banking program to be administered by the  
4 administrator. The program shall provide grants to local governments and  
5 tribal governments and loans to non-profit organizations with a  
6 demonstrated history of providing affordable housing to acquire and  
7 preserve land for the development of affordable housing. For purposes of  
8 this subsection (1)(a), "affordable housing" means rental housing that has  
9 a designated imputed income limit by household size not to exceed sixty  
10 percent of the area median income as established by the United States  
11 Department of Housing and Urban Development and published by the  
12 department or a statewide political subdivision or authority on housing,  
13 and regulated units in the project must have a gross rent limit that does  
14 not exceed thirty percent of the imputed income limitation applicable to  
15 the units and for-sale housing that could be purchased by a household  
16 with an annual income of at or below one hundred percent of the area  
17 median income. Mixed use development is an allowable use of land  
18 purchased under this program if the predominant use of the land is  
19 affordable housing. Loans made by the program shall be forgiven if land  
20 acquired with the assistance of the program is properly zoned with an  
21 active plan for the development of affordable housing within 5 years of  
22 date the loan is made and if the development is permitted and funded  
23 within 10 years. The lender and borrower may establish additional terms  
24 if needed. If land acquired with the assistance of the program is not  
25 developed within the timeline above, the loan must be repaid, with  
26 interest, as soon as practical, but not more than six months after  
27 expiration of said timeline, unless the office agrees to extend all or a

1 portion of the timeline in its reasonable discretion. Land acquired with the  
2 assistance of the program that is not developed within the timeline above  
3 may be used by the owner for any purpose upon payment of the loan with  
4 interest or, in exchange for a waiver of interest, conveyed to a state  
5 agency or other entity for the development of affordable housing with the  
6 approval of the administrator. All principal and interest payments on  
7 loans made under this ~~paragraph (a)~~ SUBSECTION (1)(a) shall be paid to  
8 the administrator and used by the administrator for the purposes set forth  
9 in this subsection (1). As determined by the administrator, a minimum of  
10 15% and a maximum of 25% of ~~monies~~ MONEY transferred to the  
11 financing fund annually may be used for the program. ~~The administrator~~  
12 ~~may utilize the funds it receives from the office for the program to pay for~~  
13 ~~the costs of administering the program; except that the total combined~~  
14 ~~annual administrative expenditures of money from the financing fund by~~  
15 ~~the administrator and the office shall not, exceed two percent of the funds~~  
16 ~~the administrator receives from the office for the program for the state~~  
17 ~~fiscal year.~~

18 (b) An affordable housing equity program to be administered by  
19 the administrator. The program shall make equity investments in low- and  
20 middle-income multi-family rental developments. The program shall also  
21 make equity investments in existing projects which include multi-family  
22 rental units for the purpose of ensuring that said projects remain  
23 affordable. The average designated imputed income by household size for  
24 projects funded by the program must not exceed 90% of the area median  
25 income as established by the United States Department of Housing and  
26 Urban Development and published by the department or a statewide  
27 political subdivision or authority on housing, and regulated units in the

1 project must have a gross rent limit that does not exceed thirty percent of  
2 the imputed income limitation applicable to the units. The program shall  
3 include a tenant equity vehicle, meaning, in projects funded by the  
4 program, tenants who reside in the project for at least one year shall be  
5 entitled to a share of the equity growth in the project, if any, in the form  
6 of funding from the program for a down-payment on housing or related  
7 purposes, which may also include ongoing opportunities for tenants to  
8 build up their savings, in an amount determined by the administrator.  
9 Equity investments made by the program shall be made with the  
10 expectation of returns that are below the prevailing market returns.  
11 Returns on program investments up to the amount of the program's initial  
12 investment shall be retained in the program and reinvested. Returns on  
13 program investments greater than the program's initial investment shall  
14 be retained in the program to fund the tenant equity vehicle. In selecting  
15 investments under this program, the administrator shall prioritize  
16 high-density housing, mixed-income housing, and projects consistent with  
17 the goal of environmental sustainability. As determined by the  
18 administrator, a minimum of 40% of ~~monies~~ MONEY and a maximum of  
19 70% of ~~monies~~ MONEY transferred to the financing fund annually may be  
20 used for the program. ~~The administrator may utilize the funds it receives~~  
21 ~~from the office for the program to pay for the costs of administering the~~  
22 ~~program; except that, the total combined annual administrative~~  
23 ~~expenditures of money from the financing fund by the administrator and~~  
24 ~~the office shall not exceed two percent of the funds the administrator~~  
25 ~~receives from the office for the program for the state fiscal year.~~

26 (c) A concessionary debt program to be administered by the  
27 administrator. The program shall:

1 (V) Include the following features:

2 (B) As determined by the administrator, a minimum of 15% of  
3 ~~monies~~ and a maximum of 35% of ~~monies~~ MONEY transferred to the  
4 financing fund annually may be used for the program. ~~The administrator~~  
5 ~~may utilize the funds it receives from the office for the program to pay for~~  
6 ~~the costs of administering the program; except that, the total combined~~  
7 ~~annual administrative expenditures of money from the financing fund by~~  
8 ~~the administrator and the office shall not exceed two percent of the funds~~  
9 ~~the administrator receives from the office for the program for the state~~  
10 ~~fiscal year.~~

11 (2) (a) In selecting investments to be made by the programs of  
12 subsection (1) of this section, the administrator shall prioritize projects  
13 that achieve high-density housing, mixed-income housing, and projects  
14 consistent with the goal of environmental sustainability, as appropriate.

15 (b) (I) NOTWITHSTANDING THE FUNDING PERCENTAGES  
16 ESTABLISHED IN SUBSECTION (1) OF THIS SECTION, FOR THE STATE FISCAL  
17 YEAR THAT BEGINS ON JULY 1, 2026, THE OFFICE AND ADMINISTRATOR  
18 SHALL, WITH THE GOAL OF FUNDING ALL THREE PROGRAMS DESCRIBED IN  
19 SUBSECTION (1) OF THIS SECTION, DETERMINE THE FUNDING PERCENTAGES  
20 FOR THE PROGRAMS DESCRIBED IN SUBSECTION (1) OF THIS SECTION BASED  
21 ON THE FOLLOWING PRIORITY ORDER: CONCESSIONARY DEBT,  
22 AFFORDABLE HOUSING EQUITY, AND LAND BANKING.

23 (II) THIS SUBSECTION (2)(b) IS REPEALED, EFFECTIVE JULY 1, 2027.

24 (5) If the Legislative Council Staff's March Economic and  
25 Revenue Forecast in any given year projects revenue for the next A  
26 REVENUE FORECAST PRODUCED BY THE SAME OFFICE THAT PRODUCED THE  
27 REVENUE FORECAST SELECTED BY THE JOINT BUDGET COMMITTEE AS THE

1 BASIS FOR THE STATE BUDGET FOR A STATE FISCAL YEAR PROJECTS THAT  
2 REVENUE FOR THAT state fiscal year will fall below the revenue limit  
3 imposed under section 20 of article X of the state constitution, the general  
4 assembly may reduce the funding OTHERWISE allocated to the office  
5 required by this section for the next state fiscal year in order to balance  
6 the state budget for said THAT state fiscal year. <{*Even with the changes*  
7 *to this subsection, this subsection does not allow for the transfer*  
8 *described in this bill because the transfer is "for the next state fiscal*  
9 *year.*">

10 **SECTION 3. Safety clause.** The general assembly finds,  
11 determines, and declares that this act is necessary for the immediate  
12 preservation of the public peace, health, or safety or for appropriations for  
13 the support and maintenance of the departments of the state and state  
14 institutions.

Second Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

DRAFT  
3/23/26

DRAFT

LLS NO. 26-0927.01 Chelsea Princell x4335

COMMITTEE BILL

Joint Budget Committee

---

**BILL TOPIC:** Denver Health Federal Funds for Physician Services

---

**A BILL FOR AN ACT**

101      **CONCERNING ENHANCING STATE-DIRECTED PAYMENTS FOR PHYSICIAN**  
102                    **SERVICES RENDERED BY MEDICAL PROFESSIONALS AT DENVER**  
103                    **HEALTH AND HOSPITAL AUTHORITY, AND, IN CONNECTION**  
104                    **THEREWITH, MAKING AN APPROPRIATION.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)*

**Joint Budget Committee.** The bill allows money collected from the hospital provider fee to be used to maximize reimbursement through state-directed payments for physician services at Denver health and

*Capital letters or bold & italic numbers indicate new material to be added to existing law.  
Dashes through the words indicate deletions from existing law.*

hospital authority.

The bill makes a cash fund appropriation to the department of health care policy and financing.

---

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 25.5-4-402.4, **add**  
3 (5)(b)(I.7) and (9)(1.5) as follows:

4 **25.5-4-402.4. Hospitals - healthcare affordability and**  
5 **sustainability hospital provider fee - healthcare affordability and**  
6 **sustainability nursing facility provider fee - healthcare affordability**  
7 **and sustainability intermediate care facility fee - receipt of public**  
8 **funds - Colorado healthcare affordability and sustainability**  
9 **enterprise - federal waiver - funds created - reports - rules -**  
10 **legislative declaration - definitions - repeal.**

11 (5) **Healthcare affordability and sustainability hospital**  
12 **provider fee cash fund.**

13 (b) All money in the hospital provider fee cash fund is subject to  
14 federal matching as authorized under federal law and, subject to annual  
15 appropriation by the general assembly, shall be expended by the  
16 enterprise for the following purposes:

17 (I.7) TO MAXIMIZE REIMBURSEMENT FOR PHYSICIAN SERVICES AT  
18 DENVER HEALTH AND HOSPITAL AUTHORITY UP TO THE UPPER PAYMENT  
19 LIMITS, AS DEFINED IN 42 CFR 447.272 AND 42 CFR 447.321 AND AS  
20 PERMITTED IN 42 CFR 438.6(c).

21 (9) **Definitions.** As used in this section, unless the context  
22 otherwise requires:

23 (1.5) "PHYSICIAN SERVICES" MEANS MEDICALLY NECESSARY  
24 SERVICES THAT ARE RENDERED BY A LICENSED PHYSICIAN OR QUALIFIED

1 MEDICAL PROFESSIONAL AND ARE BILLED SEPARATELY FROM HOSPITAL  
2 FACILITY FEES.

3 **SECTION 2. Appropriation.** (1) For the 2026-27 state fiscal  
4 year, \$3,527,482 is appropriated to the department of health care policy  
5 and financing. This appropriation is from cash funds from an  
6 intergovernmental transfer from Denver Health. To implement this act,  
7 the department may use this appropriation for medical and long-term care  
8 services for Medicaid-eligible individuals.

9 (2) For the 2026-27 state fiscal year, the general assembly  
10 anticipates that the department of health care policy and financing will  
11 receive \$7,803,973 in federal funds for medical and long-term care  
12 services for Medicaid-eligible individuals to implement this act. The  
13 appropriation in subsection (1) of this section is based on the assumption  
14 that the department will receive this amount of federal funds.

15 **SECTION 3. Safety clause.** The general assembly finds,  
16 determines, and declares that this act is necessary for the immediate  
17 preservation of the public peace, health, or safety or for appropriations for  
18 the support and maintenance of the departments of the state and state  
19 institutions.

Second Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

DRAFT  
3/23/26

DRAFT

LLS NO. 26-0947.01 Lindy Schaible x4215

COMMITTEE BILL

Joint Budget Committee

---

**BILL TOPIC:** Adding Repeal Dates for Certain Higher Educ Progs  
**DEADLINES:** File by: 3/20/2026

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**A BILL FOR AN ACT**

101 CONCERNING ADDING REPEAL DATES FOR CERTAIN HIGHER  
102 EDUCATION PROGRAMS WITH LIMITED PURPOSE  
103 FEE-FOR-SERVICE CONTRACTS.

---

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)*

**Joint Budget Committee.** The bill repeals the Colorado multidisciplinary health-care provider access training program, the career pathways program, and the career and technical education and apprenticeship programs alignment on June 30, 2028.

*Capital letters or bold & italic numbers indicate new material to be added to existing law.  
Dashes through the words indicate deletions from existing law.*

1 *Be it enacted by the General Assembly of the State of Colorado:*

2           **SECTION 1.** In Colorado Revised Statutes, **add** 23-21-1106 as  
3 follows:

4           **23-21-1106. Repeal of part.**

5           THIS PART 11 IS REPEALED, EFFECTIVE JUNE 30, 2028.

6           **SECTION 2.** In Colorado Revised Statutes, 23-60-109, **add** (3)  
7 as follows:

8           **23-60-109. Career pathways - design - legislative declaration**  
9 **- repeal.**

10           (3) THIS SECTION IS REPEALED, EFFECTIVE JUNE 30, 2028.

11           **SECTION 3.** In Colorado Revised Statutes, 23-18-308, **amend**  
12 (1)(a), (1)(l), and (1)(m) as follows:

13           **23-18-308. Fee-for-service contracts - grants to local district**  
14 **colleges - limited purpose - repeal.**

15           (1) Subject to available appropriations, the department shall enter  
16 into fee-for-service contracts for the following purposes:

17           (a) (I) The creation of career pathways for students DESIGNED  
18 pursuant to sections 23-60-109 and 24-46.3-104;

19           (II) THIS SUBSECTION (1)(a) IS REPEALED, EFFECTIVE JUNE 30,  
20 2028.

21           (l) (I) The Colorado multidisciplinary health-care provider access  
22 training program created in section 23-21-1103;

23           (II) THIS SUBSECTION (1)(l) IS REPEALED, EFFECTIVE JUNE 30,  
24 2028.

25           (m) (I) The creation of education programs ALIGNED pursuant to  
26 section 8-15.7-201; **and**

1           (II) THIS SUBSECTION (1)(m) IS REPEALED, EFFECTIVE JUNE 30,  
2 2028; AND

3           **SECTION 4.** In Colorado Revised Statutes, 8-15.7-201, **add** (6)  
4 as follows:

5           **8-15.7-201. State apprenticeship agency - community college**  
6 **system - career and technical education - apprenticeship programs**  
7 **- alignment - repeal.**

8           (6) THIS SECTION IS REPEALED, EFFECTIVE JUNE 30, 2028.

9           **SECTION 5. Safety clause.** The general assembly finds,  
10 determines, and declares that this act is necessary for the immediate  
11 preservation of the public peace, health, or safety or for appropriations for  
12 the support and maintenance of the departments of the state and state  
13 institutions.

Second Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

DRAFT  
3/18/26

DRAFT

LLS NO. 26-0931.01 Pierce Lively x2059

COMMITTEE BILL

Joint Budget Committee

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**BILL TOPIC: Managed Care Entity Payments**

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**A BILL FOR AN ACT**

101      **CONCERNING A CLARIFICATION REGARDING THE TREATMENT OF**  
102              **FUNDS THAT ARE TRANSFERRED FROM THE DEPARTMENT OF**  
103              **HEALTH CARE AND POLICY THROUGH TO THE COLORADO**  
104              **DEPARTMENT OF HUMAN SERVICES THAT PASSES THROUGH A**  
105              **REGIONAL ACCOUNTABILITY ENTITY.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)*

**Joint Budget Committee.** The department of human services (CDHS) operates mental health transitional living homes (transitional

*Capital letters or bold & italic numbers indicate new material to be added to existing law.  
Dashes through the words indicate deletions from existing law.*

homes). Part of the funding for transitional homes comes from patient revenues, including Medicaid-eligible patient revenues. For Medicaid-eligible patients, the patient revenues originate in the department of health care policy and financing (HCPF), HCPF distributes this money to managed care entities (MCEs), and the MCEs then pay CDHS for the services provided at the transitional homes. At least in part, the MCEs serve as passthroughs transferring patient revenues from HCPF to CDHS for transitional homes. Because managed care entities (MCE) are nonstate entities, the office of the state controller counts the payments from HCPF to RAEs for transitional homes as money leaving the state and then counts the payments from MCEs to CDHS for transitional homes as state fiscal year spending for purposes of section 20 of article X of the state constitution (TABOR).

The bill establishes that any federal funds or state funds expended by HCPF that are received by CDHS, regardless of whether such funds pass through an MCE prior to receipt by CDHS, must not be included in the calculation of state fiscal year spending for purposes of TABOR.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** 26-1-143 as  
3 follows:

4 **26-1-143. Managed care entity payments - definition.**

5 (1) ANY FEDERAL FUNDS OR STATE FUNDS EXPENDED BY THE  
6 DEPARTMENT OF HEALTH CARE POLICY AND FINANCING THAT ARE  
7 RECEIVED BY THE STATE DEPARTMENT, REGARDLESS OF WHETHER SUCH  
8 FUNDS PASS THROUGH A MANAGED CARE ENTITY PRIOR TO RECEIPT BY THE  
9 STATE DEPARTMENT, MUST NOT BE INCLUDED IN THE CALCULATION OF  
10 STATE FISCAL YEAR SPENDING.

11 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
12 REQUIRES, "MANAGED CARE ENTITY" HAS THE SAME MEANING AS "MCE"  
13 IN SECTION 25.5-5-402 (9)(b)(III)(B).

14 **SECTION 2. Safety clause.** The general assembly finds,  
15 determines, and declares that this act is necessary for the immediate  
16 preservation of the public peace, health, or safety or for appropriations for

- 1 the support and maintenance of the departments of the state and state
- 2 institutions.