



**Joint Budget Committee**

# **Staff Figure Setting FY 2026-27**

**Treasury**

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## How to Use this Document

The Department Overview contains a table summarizing the staff recommended incremental changes followed by brief explanations of each incremental change. A similar overview table is provided for each division, but the description of incremental changes is not repeated, since it is available under the Department Overview. More details about the incremental changes are provided in the sections following the Department Overview and the division summary tables.

Decision items, both department-requested items and staff-initiated items, are discussed either in the Decision Items Affecting Multiple Divisions or at the beginning of the most relevant division. Within a section, decision items are listed in the requested priority order, if applicable.

# Department Overview

The State Treasurer serves as one of Colorado's five independently elected constitutional officers, overseeing a department that is structured into three primary divisions within the state budget: Administration, the Unclaimed Property Program, and Special Purpose.

The **Administration Division** manages daily operations such as accounting, cash flow, and debt coordination. A key function of this division is ensuring state accounts maintain sufficient balances to meet daily obligations while actively managing five in-house investment portfolios. The income generated from these short-, medium-, and long-term investments plays an important role in supplementing the state's traditional tax and fee revenues. Additionally, the division coordinates short-term financing and handles payments on state lease-purchase agreements.

Alongside daily financial management, the department operates the **Unclaimed Property Program**, which is dedicated to safeguarding and returning lost or abandoned assets—such as uncashed checks, utility refunds, and safe deposit box contents—to their rightful owners. Intangible properties and securities are held in designated trust funds. The interest earned on those funds is statutorily distributed to support the program's administration, as well as the Colorado State Fair, the Agriculture Management Fund, and state tourism promotion.

Finally, the **Special Purpose Division** functions as the state's disbursement mechanism for various statutory, pass-through funds. While the Treasury distributes this money based on strict legal formulas, it does not directly administer the underlying programs. Notable examples of these disbursements include reimbursements to local governments for the Senior Citizen, Disabled Veteran, and Business Personal Property Tax Exemptions. This division also handles the distribution of Highway Users Tax Fund (HUTF) proceeds to local governments and manages the state's payments to reduce the Public Employees' Retirement Association (PERA) unfunded liability.

## Summary of Staff Recommendations

### Department of the Treasury

Item	Total Funds	General Funds	Cash Funds	Reapprop. Funds	Federal Funds	FTE
<b>FY 2025-26 Appropriation</b>						
SB 25-206 Long Bill	\$956,672,610	\$468,126,524	\$406,003,388	\$82,542,698	\$0	62.0
HB 26-1171 Supplemental Bill	10,368	-85,432	95,800	0	0	0.0
Other Legislation	6,883,726	160,826	6,722,900	0	0	2.0
<b>Total</b>	<b>\$963,566,704</b>	<b>\$468,201,918</b>	<b>\$412,822,088</b>	<b>\$82,542,698</b>	<b>\$0</b>	<b>64.0</b>
<b>FY 2026-27 Recommended Appropriation</b>						
FY 2025-26 Appropriation	\$963,566,704	\$468,201,918	\$412,822,088	\$82,542,698	\$0	64.0
R1 Admin staff and software	87,096	-223,536	310,632	0	0	0.0

Item	Total Funds	General Funds	Cash Funds	Reapprop. Funds	Federal Funds	FTE
R2 UP Division staff	0	0	0	0	0	0.0
R3 UP Division related expenses	306,600	0	306,600	0	0	0.0
SI2 Homestead reduction	-183,700,000	-183,700,000	0	0	0	0.0
Employee compensation common policies	633,638	332,310	301,328	0	0	0.0
Operating common policies	809,854	354,018	455,836	0	0	0.0
Impacts driven by other agencies	-9,532	-5,790	-3,742	0	0	0.0
Technical adjustments	96,112,520	10,895,023	86,254,734	-1,037,237	0	0.0
Prior year actions	183,981	-870,016	266,760	787,237	0	2.0
<b>Total</b>	<b>\$877,990,861</b>	<b>\$294,983,927</b>	<b>\$500,714,236</b>	<b>\$82,292,698</b>	<b>\$0</b>	<b>66.0</b>
Changes from FY 2025-26	-\$85,575,843	-\$173,217,991	\$87,892,148	-\$250,000	\$0	2.0
Percentage Change	-8.9%	-37.0%	21.3%	-0.3%	0.0%	0.0
FY 2026-27 Executive Request	\$1,062,339,889	\$478,949,928	\$501,097,262	\$82,292,698	\$1	71.0
Staff Rec. Above/-Below Request	-\$184,349,028	-\$183,966,001	-\$383,026	\$0	-\$1	-5.0

**R1 Admin staff and software:** Staff recommends partial approval of the Department’s request for additional FTE, software costs and fund source reallocation.

Year 1: The ongoing cost is \$87,096 cash funds, with a \$223,536 General Fund reduction and \$310,632 cash funds.

Staff recommends denial of the FTE portion of this request and approval of the software and fund reallocation portions of this request.

**R2 UP Division staff:** Staff recommends denial of the Department request for additional staff in the UP division.

**R3 UP Division related expenses:** Staff recommends approval of the Department’s request for operating expenses in the UP division.

Year 1: The ongoing cost is \$306,600 cash funds.

**Staff-initiated (SI) 1 Transfer from UPTF:** Staff recommends a transfer from the UPTF to the General Fund, scaled for budget balancing.

**SI 2 Homestead reduction:** Staff recommends reducing the senior homestead property tax exemption, scaled for by actual TABOR revenue data for FY 2025-26.

**Employee compensation common policies:** The request includes a net increase of \$633,638 for employee compensation common policies. A common policy refers to general policies applied consistently to all departments. Staff will update these figures as needed to reflect the Committee’s common policy decisions.

#### Employee compensation common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Health, life, and dental	\$297,088	\$135,758	\$161,330	\$0	\$0	0.0
Salary survey	195,813	124,272	71,541	0	0	0.0
Health, life, and dental true-up	74,293	42,739	31,554	0	0	0.0
Unfunded liability amortization payments	54,164	23,173	30,991	0	0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
PERA direct distribution	6,615	2,314	4,301	0	0	0.0
Step plan	2,849	2,849	0	0	0	0.0
Paid family and medical leave insurance	2,437	1,043	1,394	0	0	0.0
Short-term disability	379	162	217	0	0	0.0
<b>Total</b>	<b>\$633,638</b>	<b>\$332,310</b>	<b>\$301,328</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**Operating common policies:** The request includes a net increase of \$809,854 for operating common policies. Staff will update these figures as needed to reflect the Committee’s common policy decisions.

### Operating common policies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
State accounting system (CORE)	\$593,848	\$267,231	\$326,617	\$0	\$0	0.0
Legal services	155,193	48,337	106,856	0	0	0.0
Office of Information Technology services	61,466	37,272	24,194	0	0	0.0
Workers’ compensation	8,339	8,339	0	0	0	0.0
Capitol Complex leased space	-4,534	-2,703	-1,831	0	0	0.0
Risk management & property	-4,458	-4,458	0	0	0	0.0
<b>Total</b>	<b>\$809,854</b>	<b>\$354,018</b>	<b>\$455,836</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**Impacts driven by other agencies:** The request includes a net decrease of \$9,532 for requests from other state agencies. These are also called “non-prioritized requests.” The amount shown in the table below applies only to this department and does not necessarily reflect the total value of the request. Staff will update these figures as needed to reflect the Committee’s common policy decisions.

### Impacts driven by other agencies

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
NP State accounting system (CORE) staff	\$1,615	\$969	\$646	\$0	\$0	0.0
NP1 SB24-205 AI compliance	611	371	240	0	0	0.0
NP Statewide enable AI	307	186	121	0	0	0.0
NP IT operating offset	-9,814	-5,951	-3,863	0	0	0.0
NP IT efficiencies	-2,251	-1,365	-886	0	0	0.0
<b>Total</b>	<b>-\$9,532</b>	<b>-\$5,790</b>	<b>-\$3,742</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**Technical adjustments:** The recommendation includes a net increase of \$96.1 million for technical adjustments.

### Technical adjustments

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Tech adj OSPB Sept forecast	\$108,727,118	\$13,430,371	\$95,296,747	\$0	\$0	0.0
Technical change to fund source	0	0	0	0	0	0.0
Tech adj OSPB Dec forecast	-6,117,598	-2,535,348	-2,545,013	-1,037,237	0	0.0
Sale of tax credits	-3,173,500	0	-3,173,500	0	0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Improve private health insurances	-3,173,500	0	-3,173,500	0	0	0.0
Continuation of benefits fund	-150,000	0	-150,000	0	0	0.0
<b>Total</b>	<b>\$96,112,520</b>	<b>\$10,895,023</b>	<b>\$86,254,734</b>	<b>-\$1,037,237</b>	<b>\$0</b>	<b>0.0</b>

**Prior year actions:** The recommendation includes a net increase of \$183,981 for the impact of prior year budget decisions and legislation.

#### Prior year actions

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
SB 25-167 Invest state funds	\$362,560	\$0	\$362,560	\$0	\$0	2.0
FY 25-26 Step Plan	0	0	0	0	0	0.0
SB 18-200 PERA Unfunded Liability	0	-787,237	0	787,237	0	0.0
SB 25-261 Deferred ppty tax	-151,830	-151,830	0	0	0	0.0
HB 26-1171 Supplemental Bill	-26,749	69,051	-95,800	0	0	0.0
<b>Total</b>	<b>\$183,981</b>	<b>-\$870,016</b>	<b>\$266,760</b>	<b>\$787,237</b>	<b>\$0</b>	<b>2.0</b>

## Major Differences from The Request

The key differences from the request are the two staff-initiated issues, which could save over \$200 million General Fund if the committee wishes to pursue these options.

# Decision Items Affecting Multiple Divisions

## → R2 Unclaimed Property FTE

### Request

The Department requests \$331,626 in cash funds for 3.0 FTE in the Unclaimed Property (UP) Program. The Department states that program demand—including revenue, claims made, and claims paid—has outpaced staffing levels since the implementation of the Revised Uniform Unclaimed Property Act (RUUPA).

### Recommendation

Staff recommends denial of this request due to budget balancing constraints.

Although this request is for cash funds, transfers from the Unclaimed Property Trust Fund (UPTF) become subject to TABOR. Legislative Council Staff (LCS) projects state revenue will exceed the TABOR cap in FY 2026-27; therefore, approving this request risks displacing General Fund and contributing to the ongoing budgetary issues.

If the Committee wishes to approve part of this request, staff believes approval of 1.0 FTE to support claims processing is the top priority. In this case, staff recommends approval of \$59,909 cash funds and 0.9 FTE, annualizing to \$78,638 cash funds and 1.0 FTE.

If the Committee wishes to approve this entire request, staff recommends approval of \$187,029 cash funds and 2.7 FTE, annualizing to \$253,282 cash funds and 3.0 FTE.

The above staff recommendation numbers are consistent with LCS FTE calculation methodology at the minimum salary in the range.

### Analysis

Staff acknowledges that national survey data<sup>1</sup> indicates the Colorado UP program's 12.5 claims FTE is below the median relative to its claims volume. Adding FTE would likely improve operational efficiency and expand targeted outreach.

However, the primary rationale for the request is to improve claims processing time, which staff concludes is unnecessary based on current performance metrics. The statutory requirement for claims response is 90 days; the Department currently averages a 10-day turnaround. Because the program is significantly exceeding its statutory mandates, staff determines that additional FTE is not required to maintain compliance or service baseline, and the request should not be prioritized in the current budget climate. The Department may internally reallocate resources and lengthen claims turnaround time by up to 80 days, if they deem it necessary.

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<sup>1</sup> <https://mylrc.sdlegislature.gov/api/Documents/Attachment/119237.pdf?Year=2020>

# Administration Division

The Administration Division oversees the state’s daily financial operations. This includes accounting, cash flow management, investments, and debt responsibilities. The Division ensures that cash accounts have sufficient balances to meet the state’s obligations each day, and it invests funds received by state agencies in authorized instruments. Five investment portfolios are managed by in-house investment officers with short-, medium-, and long-term goals. Income earned on these investments supplements the state’s revenue from taxes and fees. The Division also coordinates debt management, including issuing certain short-term financings and making payments on state lease-purchase agreements.

## Administration

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
<b>FY 2025-26 Appropriation</b>						
SB 25-206 Long Bill	\$7,435,038	\$5,292,898	\$2,142,140	\$0	\$0	38.0
HB 26-1171 Supplemental Bill	\$10,368	-\$85,432	\$95,800	\$0	\$0	0.0
Other Legislation	\$536,726	\$160,826	\$375,900	\$0	\$0	2.0
<b>Total FY 2025-26</b>	<b>\$7,982,132</b>	<b>\$5,368,292</b>	<b>\$2,613,840</b>	<b>\$0</b>	<b>\$0</b>	<b>40.0</b>
<b>FY 2026-27 Recommended Appropriation</b>						
FY 2025-26 Appropriation	\$7,982,132	\$5,368,292	\$2,613,840	\$0	\$0	40.0
R1 Admin staff and software	87,096	-223,536	310,632	0	0	0.0
R2 UP Division staff	0	0	0	0	0	0.0
Employee compensation common policies	633,638	332,310	301,328	0	0	0.0
Operating common policies	809,854	354,018	455,836	0	0	0.0
Impacts driven by other agencies	-9,532	-5,790	-3,742	0	0	0.0
Technical adjustments	0	0	0	0	0	0.0
Prior year actions	132,957	-82,779	215,736	0	0	2.0
<b>Total FY 2026-27</b>	<b>\$9,636,145</b>	<b>\$5,742,515</b>	<b>\$3,893,630</b>	<b>\$0</b>	<b>\$0</b>	<b>42.0</b>
Changes from FY 2025-26	\$1,654,013	\$374,223	\$1,279,790	\$0	\$0	2.0
Percentage Change	20.7%	7.0%	49.0%	0.0%	0.0%	5.0%
FY 2026-27 Executive Request	\$10,045,667	\$6,008,516	\$4,037,150	\$0	\$1	44.0
Staff Rec. Above/-Below Request	-\$409,522	-\$266,001	-\$143,520	\$0	-\$1	-2.0

## → R1 Administrative FTE and operating

### Request

The Department requests \$310,632 General Fund and 2.0 FTE ongoing for an Accountant I, a Treasury Admin III, and to pay for increasing subscription costs.

The Department also requests a \$310,632 reduction in General Fund, offset by an equivalent increase of \$310,632 spending authority in the Cash Management Transaction Fees.

### Recommendation

Staff recommends approval of \$87,096 to fund the software increases portion of the request. Staff also recommends approval of the Department request for a General Fund reduction offset by cash funds.

If the Committee decides to approve an FTE in this department, staff recommends approval of just the Accountant I FTE, based on calculations from the LCS FTE spreadsheet, which is \$67,852 General Fund and 0.9 FTE, annualizing to \$88,546 General Fund and 1.0 FTE.

If the Committee elects to fund both requested FTE, staff recommends approval of \$136,134 General Fund and 1.8 FTE in FY 2026-27, annualizing to \$177,092 General Fund and 2.0 FTE (also based on the LCS FTE spreadsheet at the minimum salary range).

### Analysis

#### FTE Request

Generally, the Department did not submit an FTE request in at least a decade prior to FY 2018-19. Since that time, it has requested additional FTE each year in an effort to “right size” staffing levels in response to increased programmatic complexity, transaction volume, and financing activity. Staff agrees that the Department appears lean relative to the scale and complexity of its current operations. However, staff also notes that the Department was able to perform these functions for many years without additional FTE. Given that history, the significant growth in Department FTE over the past seven years, and the constrained budget environment, staff does not recommend approval of the FTE portion of this request in FY 2026-27.

To demonstrate workload pressures, the Department provided proxy indicators reflecting a lean operating structure. When compared to public sector and financial industry benchmarks, staff agrees that the Department’s workload metrics exceed typical averages:

- Current accounting volume (10 accountants processing 200,000 transactions annually): Each accountant processes approximately 20,000 transactions per year, or roughly 80 per workday (approximately six minutes per transaction).

- Benchmark: According to the American Productivity & Quality Center (APQC), this reflects a stressed volume rate. Median finance functions typically employ additional staff to allow sufficient time for reconciliation, reporting, and error mitigation.<sup>2</sup>
- Executive leadership structure (Combined CFO/COO role): One executive is performing two major operational functions.
  - Benchmark: The Government Finance Officers Association (GFOA) and general corporate governance standards recommend separation of these roles to ensure appropriate internal controls and oversight. Combining them may indicate resource constraints and reduces optimal separation of duties.<sup>3</sup>

Staff believes the accounting workload data cited above directly relevant to the request for an Accountant I position and concurs that current accounting staffing levels fall below industry norms. For that reason, if the committee wishes to prioritize increasing FTE in this Department, staff recommends approving funding for an Accountant I.

The executive leadership structure provides broader context regarding departmental “lean-ness,” including responsibilities related to bank account monitoring, fraud prevention, and PCI compliance. However, this data point is less directly connected to the justification for the requested Administrator III position.

Staff notes that the risk of not approving this request is primarily about high workload, staff burnout, and, per the Department, low risk of non-compliance. The Department indicated to staff that they currently are able to meet their statutory responsibilities, though some employees are required to work over 40-hour weeks without additional compensation for doing so.

Staff is sympathetic to the Department’s rationale. The Department has experienced measurable workload growth, including a transaction volume increase of more than 20 percent since FY 2022-23, alongside rising operational complexity. Under normal fiscal conditions, this trend could justify additional staffing. However, given current budget constraints, staff recommends denying the requested FTE expansion for this fiscal year.

## Investment software increases

As the Committee is well-aware, Bloomberg investment software unexpectedly increased subscription costs to the Department. The timing of this increase required the Department to submit multiple requests to address the shortfall, including:

- A January 2025 supplemental request for FY 2024-25;
- An emergency Section 24-75-111.5 (1331) supplemental in June 2025 for FY 2024-25;
- A supplemental request for FY 2025-26; and
- The current budget request for FY 2026-27.

The Department indicates that the contract rate is fixed through FY 2026-27. As such, staff anticipates that this request will resolve the issue for the remainder of the contract term.

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<sup>2</sup> <https://www.apqc.org/what-we-do/benchmarking/open-standards-benchmarking/measures/number-fixed-assets-transactions-fte>

<sup>3</sup> <https://www.gfoa.org/materials/internal-control-environment>

If the Committee does not approve the current request, the Department would likely need to submit another emergency 1331 supplemental, as the subscription contracts are already executed and payment is required. Therefore, staff recommend approval of this part of the request.

### Transaction fees spending authority

From a multi-year budget perspective, this portion of the request is General Fund neutral. However, in FY 2026-27, this component of the request reduces General Fund expenditures by the requested amount.

The Department collects revenue in the Cash Management Transaction Fee cash fund, setting the transaction fee formula to generate approximately \$1.0 to \$1.2 million annually. Of that amount, the Department is appropriated \$887,447 each year, with any remaining balance reverting to the General Fund in the subsequent fiscal year.

The Department requests to offset \$310,632 in General Fund spending with spending authority from the Cash Management Transaction Fee cash fund.

While this action reduces the amount that would otherwise revert to the General Fund in the following fiscal year, it decreases General Fund appropriations in FY 2026-27.

Staff recommends approval of this portion of the request.

## Line Item Detail

### Personal Services

This line item provides funding for employees' salaries and wages, as well as the associated state contribution to the Public Employees' Retirement Association and the state share of federal Medicare taxes. This line item also provides funding for certain professional and temporary services.

**Statutory Authority:** Section 24-50-101, C.R.S., et seq.

**Request:** The Department requests \$5,176,105 total funds for this line item, with \$3,060,346 General Fund, \$2,115,759 cash funds, and 44.0 FTE.

**Recommendation:** Staff recommends an appropriation of \$2,903,434 General Fund, \$2,115,759 cash funds, and 42.0 FTE.

#### Administration, Personal Services

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
SB 25-206 Long Bill	\$4,286,893	\$3,081,766	\$1,205,127	\$0	\$0	38.0
Other Legislation	\$300,000	\$0	\$300,000	\$0	\$0	2.0
HB 26-1171 Supplemental Bill	-85,097	-85,097	0	0	0	0.0
<b>Total FY 2025-26</b>	<b>\$4,501,796</b>	<b>\$2,996,669</b>	<b>\$1,505,127</b>	<b>\$0</b>	<b>\$0</b>	<b>40.0</b>

FY 2026-27 Recommended Appropriation						
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Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation	\$4,501,796	\$2,996,669	\$1,505,127	\$0	\$0	40.0
Prior year actions	517,397	217,397	300,000	0	0	2.0
R1 Admin staff and software	0	-310,632	310,632	0	0	0.0
<b>Total FY 2026-27</b>	<b>\$5,019,193</b>	<b>\$2,903,434</b>	<b>\$2,115,759</b>	<b>\$0</b>	<b>\$0</b>	<b>42.0</b>
Changes from FY 2025-26	\$517,397	-\$93,235	\$610,632	\$0	\$0	2.0
Percentage Change	11.5%	-3.1%	40.6%	n/a	n/a	5.0%
FY 2026-27 Executive Request	\$5,176,105	\$3,060,346	\$2,115,759	\$0	\$0	44.0
Staff Rec. Above/-Below Request	-\$156,912	-\$156,912	\$0	\$0	\$0	-2.0

## Health, Life, and Dental

This line item provides funding for the employer's share of the cost of group benefit plans providing health, life, and dental insurance for state employees.

**Statutory Authority:** Sections 24-50-603 (9) and 24-50-611, C.R.S.

**Request:** The Department requests \$1,233,284 total funds for this line item, with \$672,091 General Fund, \$561,192 cash funds, and \$1 federal funds.

**Recommendation:** The staff recommendation is pending Committee action on this common policy. Staff requests permission to make adjustments as necessary to reflect the Committee's final action in this common policy.

## Short-Term Disability

This line item provides funding for the employer's share of state employees short-term disability insurance premiums.

**Statutory Authority:** Sections 24-51-701 and 24-50-104 (1)(a)(II), C.R.S.

**Request:** The Department requests \$4,276 total funds for this line item, with \$2,658 General Fund and \$1,618 cash funds.

**Recommendation:** The staff recommendation is pending Committee action on this common policy. Staff requests permission to make adjustments as necessary to reflect the Committee's final action in this common policy.

## Paid Family and Medical Leave Insurance

This line item provides funding for the Department's share of the paid family and medical leave insurance. Colorado Proposition 118, Paid Family Medical Leave Initiative, was approved by voters in November 2020 and created a paid family and medical leave insurance program for all Colorado employees administered by the Colorado Department of Labor and Employment. This requires employers and employees in Colorado to pay a payroll premium (0.90 percent with a minimum of half paid by the employer) to finance paid family and medical

leave insurance benefits beginning January 1, 2023. It finances up to 12 weeks of paid family and medical leave to eligible employees beginning January 1, 2024.

**Statutory Authority:** Section C.R.S. 8-13.3-501 et seq.

**Request:** The Department requests \$27,489 total funds for this line item, with \$17,089 General Fund and \$10,400 cash funds.

**Recommendation:** The staff recommendation is pending Committee action on this common policy. Staff requests permission to make adjustments as necessary to reflect the Committee's final action in this common policy.

## Unfunded Liability Amortization Equalization Disbursement Payments

This line item provides funding for amortization and supplemental amortization payments to increase the funded status of the Public Employees' Retirement Association (PERA).

**Statutory Authority:** Section 24-51-411, C.R.S.

**Request:** The Department requests \$610,859 total funds for this line item, with \$379,751 General Fund and \$231,108 cash funds.

**Recommendation:** The staff recommendation is pending Committee action on this common policy. Staff requests permission to make adjustments as necessary to reflect the Committee's final action in this common policy.

## Salary Survey

This line item provides funding to pay for annual increases for salary survey. Salary survey increases may include across-the-board increases, movement to minimum related to salary range adjustments, and specified classification increases.

**Statutory Authority:** Section 24-50-104, C.R.S.

**Request:** The Department requests \$195,813 total funds for this line item, with \$124,272 General Fund and \$71,541 cash funds.

**Recommendation:** The staff recommendation is pending Committee action on this common policy. Staff requests permission to make adjustments as necessary to reflect the Committee's final action in this common policy.

## Step Pay

This line item provides detail on the amount of funding appropriated to each department as a result of the step pay plan. The step pay plan took effect in FY 2024-25 and is a result of negotiations between the State of Colorado and Colorado Workers for Innovative and New Solutions (COWINS).

**Statutory Authority:** Section 24-50-101, C.R.S., et seq.

**Request:** The Department requests \$2,849 total funds for this line item, with \$2,849 General Fund.

**Recommendation:** The staff recommendation is pending Committee action on this common policy. Staff requests permission to make adjustments as necessary to reflect the Committee’s final action in this common policy.

## PERA Direct Distribution

This line item is included as a common policy allocation payment for the state portion of the PERA Direct Distribution created in Section 24-51-414, C.R.S., enacted in S.B. 18-200.

**Statutory Authority:** Section 24-51-414 (2), C.R.S.

**Request:** The Department requests \$94,391 total funds for this line item, with \$59,920 General Fund and \$34,471 cash funds.

**Recommendation:** Staff recommends approval of Department request for this line item.

## Worker’s Compensation and Payment to Risk Management and Property Funds

This line item provides funding for the Department's share of the statewide costs for worker’s compensation and risk management and property programs.

**Statutory Authority:** Sections 24-30-1510.7, 24-30-1510, and 24-30-1510.5, C.R.S.

**Request:** The Department requests \$39,473 total funds for this line item, with \$39,473 General Fund.

**Recommendation:** Staff recommends an appropriation of \$39,230 General Fund, consistent with the Committee’s decision on common policies.

## Operating Expenses

This line item provides funding for supplies and materials for the Administration Division, as well as for certain services that are not covered by other line items such as capital outlay, utilities, custodial services, equipment rental, storage, dues and subscriptions, and printing.

**Statutory Authority:** Section 24-36-101, C.R.S., *et seq.*

**Request:** The Department requests \$1,029,003 total funds for this line item, with \$890,543 General Fund and \$138,460 cash funds.

**Recommendation:** Staff recommends an appropriation of \$885,543 General Fund and \$138,460 cash funds.

### Administration, Operating Expenses

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Appropriation						
SB 25-206 Long Bill	\$805,832	\$805,832	\$0	\$0	\$0	0.0
Other Legislation	\$236,726	\$160,826	\$75,900	\$0	\$0	0.0
HB 26-1171 Supplemental Bill	\$68,716	-\$16,381	\$85,097	\$0	\$0	0.0

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Total FY 2025-26	\$1,111,274	\$950,277	\$160,997	\$0	\$0	0.0
<b>FY 2026-27 Recommended Appropriation</b>						
FY 2025-26 Appropriation	\$1,111,274	\$950,277	\$160,997	\$0	\$0	0.0
R1 Admin staff and software	87,096	87,096	0	0	0	0.0
Prior year actions	-174,367	-151,830	-22,537	0	0	0.0
Total FY 2026-27	\$1,024,003	\$885,543	\$138,460	\$0	\$0	0.0
Changes from FY 2025-26	-\$87,271	-\$64,734	-\$22,537	\$0	\$0	0.0
Percentage Change	-7.9%	-6.8%	-14.0%	n/a	n/a	n/a
FY 2026-27 Executive Request	\$1,029,003	\$890,543	\$138,460	\$0	\$0	0.0
Staff Rec. Above/-Below Request	-\$5,000	-\$5,000	\$0	\$0	\$0	0.0

## Information Technology Asset Maintenance

This line item provides funding to replace information technology equipment consistent with standard replacement cycles (e.g., four years for desktop and laptop computers, and five years for printers).

**Statutory Authority:** Section 24-37.5-103, C.R.S.

**Request:** The Department requests \$28,000 total funds for this line item, with \$14,000 General Fund and \$14,000 cash funds.

**Recommendation:** The staff recommendation is pending Committee action on this common policy. Staff requests permission to make adjustments as necessary to reflect the Committee’s final action in this common policy.

## Legal Services

This line item provides funding for the Department to purchase legal services from the Department of Law.

**Statutory Authority:** Pursuant to Section 24-31-101 (1)(a), C.R.S., and defined in Section 24-75-112 (1)(i), C.R.S.

**Request:** The Department requests \$307,352 total funds for this line item, with \$95,730 General Fund and \$211,622 cash funds.

**Recommendation:** The staff recommendation is pending Committee action on this common policy. Staff requests permission to make adjustments as necessary to reflect the Committee’s final action in this common policy.

## Capitol Complex Leased Space

This line item is used to pay the Department of Personnel for the costs of maintaining state buildings that are part of the capitol complex.

**Statutory Authority:** Section 24-30-1104 (4) and Part 1 of Article 82 of Title 24, C.R.S.

**Request:** The Department requests \$66,127 total funds for this line item, with \$39,429 General Fund and \$26,698 cash funds.

**Recommendation:** Staff recommends \$39,047 General Fund and \$26,438 cash funds, consistent with the committee’s decisions on common policies to date.

## Payments to OIT

This line item represents payments to the Governor’s Office of Information Technology for information technology services.

**Statutory Authority:** Section 24-37.5-103, C.R.S.

**Request:** The Department requests \$364,219 total funds for this line item, with \$220,857 General Fund and \$143,362 cash funds.

**Recommendation:** The staff recommendation is pending Committee action on this common policy. Staff requests permission to make adjustments as necessary to reflect the Committee’s final action in this common policy.

## CORE Operations

This line item provides funds for the Department’s share of the operational costs of Colorado Operations Resource Engine (CORE), the statewide accounting system.

**Statutory Authority:** Section 24-30-209, C.R.S.

**Request:** The Department requests \$852,312 total funds for this line item, with \$383,539 General Fund and \$468,773 cash funds.

**Recommendation:** Staff recommends \$341,699 General Fund and \$417,634 cash funds in accordance with committee decisions on common policies to date.

## Core Payroll

This is related to the FY 2026-27 Department of Personnel R-01 request.

**Statutory Authority:** Section 24-30-209, C.R.S.

**Request:** The Department requests \$1,615 total funds for this line item, with \$969 General Fund and \$646 cash funds.

**Recommendation:** The staff recommendation is pending Committee action on this common policy. Staff requests permission to make adjustments as necessary to reflect the Committee’s final action in this common policy.

## Charter School Facilities Financing Services

The Treasurer has several duties associated with charter school facility financing. A charter school may request that the Treasurer make direct payments of principal and interest on bonds issued on behalf of the school for

the purpose of enhancing the ability of the school to obtain favorable financing terms pursuant to Section 22-30.5-406, C.R.S. The Treasurer is authorized to withhold, from the amount paid to the chartering district for the state share of the district's total program funding, the amount of any direct payments made on behalf of the charter school plus any administrative costs associated with making such payments. Any administrative costs withheld are deposited into the Charter School Financing Administrative Cash Fund. Money in this fund is continuously appropriated.

Under the provisions of H.B. 03-1021, the Colorado Educational and Cultural Facilities Authority may issue bonds on behalf of qualified charter schools. Participating charter schools are required to annually pay \$1 per \$1,000 of the principal amount of the bonds outstanding to the State Treasurer for deposit in the State Charter School Interest Savings Account (within the State Charter School Debt Reserve). The Treasurer is authorized to charge participating schools a fee to defray related direct and indirect costs. Such funds are also to be deposited in the State Charter School Interest Savings Account within the State Charter School Debt Reserve Fund pursuant to Section 22-30.5-407 (3), C.R.S. Money in the State Charter School Debt Reserve Fund, including fees collected from schools, is continuously appropriated to the State Treasurer.

**Statutory Authority:** Sections 22-30.5-407 (4)(a) and (a.5), C.R.S.

**Request:** The Department requests \$7,500 total funds for this line item, with \$7,500 cash funds.

**Recommendation:** Staff recommends approval of Department request for this line item.

## Discretionary Fund

This line item represents payments to the Governor's Office of Information Technology for information technology services.

**Statutory Authority:** Section 24-37.5-103, C.R.S.

**Request:** The Department requests \$5,000 total funds for this line item, with \$5,000 General Fund.

**Recommendation:** Staff recommends approval of Department request for this line item.

## (2) Unclaimed Property Program

The Unclaimed Property Program safeguards and returns lost or abandoned property to rightful owners, which may include individuals, businesses, or public institutions. Examples of unclaimed property include uncashed checks, wages, utility refunds, or contents of safe deposit boxes. Intangible property, excluding securities, is held in the Unclaimed Property Trust Fund (UPTF), while securities are held in the Unclaimed Property Tourism Promotion Trust Fund (UPTPTF). Cash funds from the UPTF support administration of the program, and interest is credited to the fund. Statute<sup>4</sup> directs that 25 percent of interest earned in the UPTPTF goes to the Colorado State Fair Authority Cash Fund, 65 percent to the Agriculture Management Fund, and 10 percent to the Colorado Travel and Tourism Promotion Fund.

### Unclaimed Property Program

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
<b>FY 2025-26 Appropriation</b>						
SB 25-206 Long Bill	\$4,495,991	\$0	\$4,495,991	\$0	\$0	24.0
HB 26-1171 Supplemental Bill	\$0	\$0	\$0	\$0	\$0	0.0
<b>Total FY 2025-26</b>	<b>\$4,495,991</b>	<b>\$0</b>	<b>\$4,495,991</b>	<b>\$0</b>	<b>\$0</b>	<b>24.0</b>
<b>FY 2026-27 Recommended Appropriation</b>						
FY 2025-26 Appropriation	\$4,495,991	\$0	\$4,495,991	\$0	\$0	24.0
R2 UP Division staff	0	0	0	0	0	0.0
R3 UP Division related expenses	306,600	0	306,600	0	0	0.0
Prior year actions	51,024	0	51,024	0	0	0.0
<b>Total FY 2026-27</b>	<b>\$4,853,615</b>		<b>\$4,853,615</b>	<b>\$0</b>	<b>\$0</b>	<b>24.0</b>
Changes from FY 2025-26	\$357,624	\$0	\$357,624	\$0	\$0	0.0
Percentage Change	8.0%	0.0%	8.0%	0.0%	0.0%	0.0%
FY 2026-27 Executive Request	\$5,093,121	\$0	\$5,093,121	\$0	\$0	27.0
Staff Rec. Above/-Below Request	-\$239,506		-\$239,506	\$0	\$0	-3.0

## → R3 Unclaimed Property Operating Expenses

### Request

The Department requests \$306,600 in ongoing cash funds for Unclaimed Property (UP) division operating costs. The request covers four components: (1) KAPS system maintenance, (2) postage and mailing for proactive check distributions, (3) three LexisNexis licenses, and (4) shipping costs for auctioned property.

<sup>4</sup> Section 38-13-801.5, C.R.S

## Recommendation

Staff recommends approval of Department request.

## Analysis

This request is primarily driven by increased program demand. The KAPS software (\$230,000) represents the majority of the cost; because system usage is non-discretionary, denial would likely result in a future supplemental request.

Staff notes that the Committee could reduce this request by denying the proactive check mailing (~\$30,000) or the LexisNexis licenses (\$4,200) for budget balancing, staff recommends full approval for the following reasons:

- The three LexisNexis licenses allow existing staff to better verify claims and detect fraud. Given staff recommendation to deny additional FTE in R2, these licenses provide a low-cost tool to improve the productivity of current staff.
- Proactive check mailing has been an important contributor in the Department returning record levels of property. It is a cost-effective method for meeting statutory missions compared to approving new personnel.
- Increased transaction volume (up 20% since FY 2022-23) necessitates the expanded infrastructure and shipping capacity requested here to maintain current performance levels.

## → Staff Initiated 1: Transfer funds from the UPTF

## Recommendation

Staff recommends a transfer from the Unclaimed Property Trust Fund (UPTF) to the General Fund for FY 2025-26, scaled for budget balancing purposes. Staff believes a reasonable transfer range could be anywhere between \$30 and \$50 million. Staff recommends a contingent transfer range based on the March 2026 revenue forecast selected for balancing, as any potential transfer would only benefit balancing if the State remains below the TABOR/Referendum C cap.

Staff notes that there will be an automatic transfer of \$30 million from the UPTF to the Housing Development Grant Fund<sup>5</sup> if the state remains underneath the TABOR revenue cap. If the Committee does not wish to transfer any additional from the UPTF, staff recommends that the Committee consider repealing this legislation and transferring \$30 million to the General Fund for budget balancing purposes.

Staff also recommends that the Committee consider a longer-term policy that would include two major components:

- Break the UPTF into two newly created reserve funds, based on an actuarial analysis of the UPTF balance necessary to pay claims.

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<sup>5</sup> Pursuant to 38-13-801(3.5)(e)

- Set a time period for the escheatment of unclaimed property to the State (e.g., after a certain number of years, the unclaimed property would no longer be a liability to the State).

If the Committee wishes to pursue the larger policy recommendation (outline below), staff believes that a much larger transfer is likely feasible. However, staff acknowledges the time constraint in enacting and implementing such a policy, noting that a transfer from the UPTF to support budget balancing is only feasible during FY 2025-26 based on current revenue forecasts. In addition, the viability of such a transfer could change with the March 2026 revenue forecasts and will not truly be known until after the close of the 2026 session. For those reasons, staff believes a contingent transfer, with long term evaluation of this policy is justifiable.

## Background

### Unclaimed Property Trust Fund

Fiscal Year	Funds Received	Claims Paid	Net Income	Total Balance
FY21	234,862,699	42,593,347	192,269,352	705,650,952
FY22	182,397,468	49,256,397	133,141,071	821,052,113
FY23	215,806,282	55,754,094	160,052,188	971,613,647
FY24	319,739,275	64,275,360	255,463,916	1,220,228,158
FY25	363,329,136	81,621,725	281,707,411	1,471,426,305
<b>Five Year Average</b>	<b>263,226,972</b>	<b>58,700,185</b>	<b>204,526,787</b>	<b>1,037,994,235</b>

As it stands, the state could set aside a reserve equal to **10 times** the highest year of claims paid on record — and still have \$650 million left over. Over the past five years, annual inflows have averaged 4.5 times annual claims paid. **The balance is large and growing.**

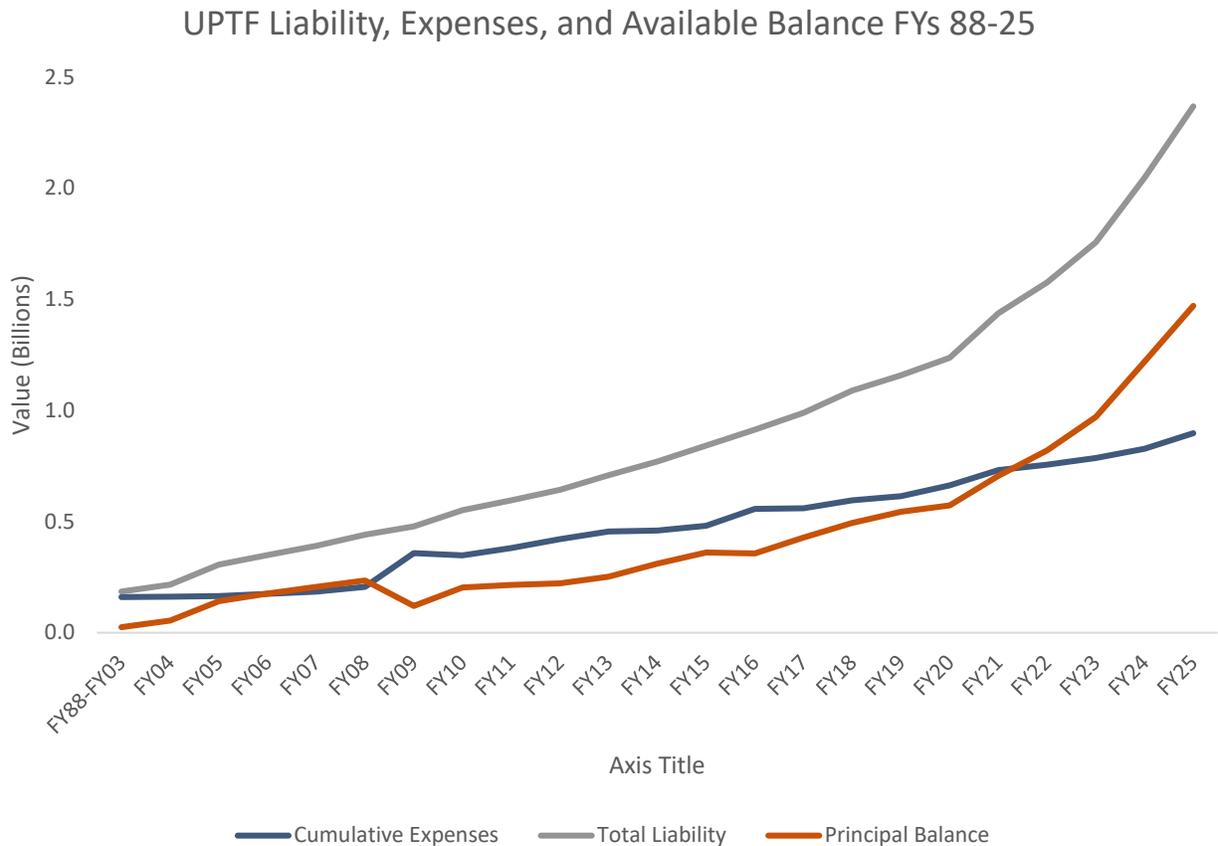
Therefore, staff believes a transfer from the UPTF is feasible with minimal risk to the State’s ability to pay any claims that may be submitted. However, changing the current system would require the State to rethink the basic assumptions underlying the Colorado Unclaimed Property Program. The current statutory framework governing the program assumes that all unclaimed property permanently belongs to the original owner and therefore never becomes available to the State. That policy question is really separate from whether the State could make any such transfers with minimal risk.

Some would characterize transfers from the UPTF as an unethical or even unlawful taking of private property. Yet, the General Assembly has long established precedent for utilizing fund capital for public purposes, having transferred nearly \$900 million from the fund over its lifetime. Despite this, the program is paying claims at record high levels, and the fund balance is growing at increasing rates. These facts demonstrate that the legislature has historically treated surplus balances as available for public use while maintaining the state’s custodial obligation to claimants.

Moreover, Colorado is a relatively unique state in that unclaimed property assets remain indefinitely in the state’s Unclaimed Property Trust Fund, without a defined reserve or structured release mechanism. Many other states employ statutory frameworks that establish actuarially informed reserves or transfer formulas, ensuring sufficient liquidity to pay property claims while allowing excess balances to be utilized for public purposes in a predictable, transparent, and sustainable manner. In Colorado, TABOR adds unique considerations because whether a transfer to the State would even help the budget depends entirely on the State’s position relative to the TABOR/Referendum C limit.

## Analysis

For years, the legislature has engaged in a practice of routine and sporadic appropriations from the UPTF (see chart below), a method that has increasingly decoupled the actual fund balance from the state's total liability to property owners.



Divergence between the total liability and the total balance are a clear indication that the state has continued to use this money for public purposes. Staff does not believe this continued usage is an immediate issue, considering that both the actual balance and claims paid are growing, indicating that the state is not currently at risk of being unable to pay property claims. However, staff believes that the lack of a clear system determining the usage of the fund may raise concerns despite the fact that the State faces no clear risk of inability to pay back claimants.

### Defining a necessary reserve to pay claims

To address this, staff proposes a structural shift in how the state manages these assets. By authorizing the Treasurer to establish an actuarially determined reserve sufficient to cover anticipated claims, the state can transition away from sporadic transfers and toward a transparent, data-driven framework.

This “Claims Reserve” would use calibrated actuarial methods to ensure sufficient liquidity under normal and stress conditions. Under this model, the state’s obligation to pay 100 percent of allowed claims would remain fully protected and actuarially grounded.

Once the Claims Reserve is established, staff proposes transferring the remaining balance into a separate “Unclaimed Property Reserve” maintained outside the TABOR district. All non-claim expenditures currently supported by the fund, including program administration, the ongoing adult dental transfer, and any future legislative transfers, would be made from this reserve.

The Unclaimed Property Reserve would also function as the first backstop to the Claims Reserve. If annual claims exceed the balance of the Claims Reserve, an automatic transfer would be made from the Unclaimed Property Reserve to ensure uninterrupted payment of valid claims. In the event that both reserves were insufficient, the General Fund would serve as the backstop of last resort.

Staff recognizes that the principal policy risk under this structure is the possibility that the actuarially defined Claims Reserve ultimately proves insufficient to cover claim volume. This may occur due to an unprecedented increase in claims made and/or a decrease in fund revenue. However, this risk is not novel. Under current statute, if the Unclaimed Property Trust Fund lacks sufficient balance to pay claims, the General Fund is already obligated to cover the shortfall. The proposed structure therefore formalizes and makes transparent a liability that already exists, while introducing a defined reserve methodology.

## **TABOR concerns**

Any transfer of these funds into the General Fund or for other state purposes are classified as state revenue and counted toward the TABOR revenue cap. In years where the state is already above this cap, transferring UPTF dollars does not actually provide additional spending power; instead, it simply "drives out" existing General Fund revenue by triggering equivalent taxpayer refunds. This is the reason staff proposes an additional reserve fund that would sit outside of the TABOR district, as opposed to an automatic transfer to the General Fund.

Staff further emphasizes the benefit of having an additional reserve fund, outside the TABOR district, that may lawfully and responsibly be used in times of economic stress.

## **Liability considerations**

Staff acknowledges that the proposed policy would likely widen the gap between total estimated liability and the principal fund balance over time. By defining a claims reserve and systematically making surplus balances available for public purposes, the state would be more explicitly recognizing unclaimed property as a flexible fiscal resource. While staff believes this represents a more efficient use of funds than maintaining an indefinitely growing trust balance, it also introduces fiscal risk.

Specifically, the policy would increase reliance on actuarial forecasting and reserve sufficiency. If claim activity were to materially exceed projections, the state could face increased pressure on reserve balances and, ultimately, the General Fund backstop.

At the same time, staff assumes that the probability of property being claimed declines as time passes. Claimants may relocate, lose documentation, or pass away, reducing the likelihood that dormant property will ever be recovered. For that reason, staff believes it would be both defensible and fiscally prudent to incorporate a liability mitigation mechanism tied to the age of property.

Other states have adopted such provisions. For example, Indiana provides for the permanent escheat of unclaimed property after a defined period (25 years), at which point the state’s repayment obligation ceases.

Both Idaho and Hawaii's statutes specify that property escheats to the state after only 10 years. Incorporating a similar escheatment period into Colorado's framework would gradually reduce long-term contingent liability and align statutory liability more closely with realistic claim behavior.

From a theoretical standpoint, one could argue that old, unclaimed property generates greater public benefit when deployed for state purposes than when held indefinitely against an increasingly remote possibility of recovery. Establishing a defined escheatment period would:

- Reduce long-term contingent liability exposure
- Improve reserve predictability
- Strengthen the actuarial integrity of the Claims Reserve model
- Provide clearer statutory boundaries around the state's custodial obligation

Staff therefore proposes incorporating a defined escheatment period as part of the broader policy framework, balancing continued claimant protection with long-term fiscal sustainability.

Staff contends that this part of the proposal is not essential, as actuarial analysis should maintain funds with sufficient balances to pay claims, regardless of liability.

## **Benchmark review: different approaches unclaimed property programs**

The policy framework staff is proposing is the result of a review of the diverse unclaimed property programs currently operating across all 50 states<sup>6</sup>. This review reveals that while Colorado has follows a very strict custodial model, many other states data-driven systems that prioritize both property owner protection and state fiscal flexibility.

### **The custodial model: retaining funds indefinitely**

Like Colorado<sup>7</sup>, states such as Maine<sup>8</sup> and Mississippi<sup>9</sup> maintain designated trust funds where assets are held indefinitely. While these states allow for program administration and specific statutory use cases, they lack a standard, strategic mechanism to utilize the principal for broader state priorities, often leading to sporadic transfers that may cause controversy.

### **The staff-recommended model: data-driven and estimated reserves**

Staff recommends adopting the approach taken by states like Oklahoma<sup>10</sup>, Tennessee<sup>11</sup>, and Iowa<sup>12</sup>. These states do not rely on fixed dollar amounts but instead empower administrators to calculate a "necessary reserve" based on actual claim trends, actuarial statistics, and historical experience. Missouri<sup>13</sup> further refines this by creating a "repayment trigger": if the fund balance drops below a specific threshold (1/24th of the

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<sup>6</sup> This review was heavily supported by the National Conference of State Legislatures (NCSL) research team. Staff extends a heartfelt thank you for their thorough research.

<sup>7</sup> Colo. Rev. Stat. §38-13-101 et seq.

<sup>8</sup> Me. Rev. Stat. Ann. tit. 33, §2051 et seq.

<sup>9</sup> Miss. Code Ann. §89-12-1 et seq.

<sup>10</sup> Okla. Stat. tit. 60, §651 et seq.

<sup>11</sup> Tenn. Code Ann. §66-29-101 et seq.

<sup>12</sup> Iowa Code §556.1 et seq.

<sup>13</sup> Mo. Rev. Stat. §447.010 et seq.

previous year's disbursements), the General Fund is legally required to restore the balance, ensuring 100% liquidity for owners at all times.

### **The General Fund model**

In a more direct approach, Delaware<sup>14</sup> and Connecticut<sup>15</sup> treat unclaimed property as General Fund revenue immediately or after a defined order of priority. In these jurisdictions, there is no separate trust fund; instead, any approved claims are paid directly out of the state's primary operating budget, essentially making the General Fund the immediate guarantor of owner property.

Obviously, this is not possible in Colorado due to TABOR, but this illustrates the various types of unclaimed property programs different states have.

### **Tiered model: fixed reserves and General Fund overflow**

Alaska<sup>16</sup>, Montana<sup>17</sup>, New Mexico<sup>18</sup>, Rhode Island<sup>19</sup>, and South Carolina<sup>20</sup>, Washington<sup>21</sup>: These states all require the administrator to retain exactly \$100,000 in a separate trust fund or bank account to pay claims. All remaining funds escheat to the state's General Fund.

### **Reducing liability: true escheatment**

Finally, some states utilize "time bars" to eventually extinguish the state's liability entirely. Indiana<sup>22</sup> sets a 25-year limit on claims, while Idaho<sup>23</sup> and Hawaii<sup>24</sup> void claims for specific categories—such as unnamed owners or small balances under \$100—after 10 years. At that point, the property legally becomes the state's, and the liability is removed from the books forever.

Staff recommends combining elements of this model with the data-driven reserve model.

### **Benchmark study: historic legal precedents**

Across the country, state Unclaimed Property (UP) programs frequently face litigation challenging their constitutionality. Based on the provided summary of historic and ongoing litigation, these lawsuits primarily revolve around two constitutional pillars: the Takings Clause of the Fifth Amendment and the Due Process Clause of the Fourteenth Amendment.

Here is a narrative summary of the most common occurrences in these challenges, some key cases involved, and their ultimate results.<sup>25</sup>

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<sup>14</sup> Del. Code Ann. tit. 12, §1130 et seq.

<sup>15</sup> Conn. Gen. Stat. §3-56a et seq.

<sup>16</sup> Alaska Stat. §34.45.010 et seq.

<sup>17</sup> Mont. Code Ann. §70-9-801 et seq.

<sup>18</sup> N.M. Stat. Ann. §7-8A-1 et seq.

<sup>19</sup> R.I. Gen. Laws §33-21-1 et seq.

<sup>20</sup> S.C. Code Ann. §27-18-10 et seq.

<sup>21</sup> Wash. Rev. Code §63.30.010 et seq.

<sup>22</sup> IN Code § 32-34-1.5-48

<sup>23</sup> Idaho Code §14-501 et seq.

<sup>24</sup> HI Rev Stat § 523A-19

<sup>25</sup> Again, this research was heavily supported by the NCSL.

## Takings Clause

One common occurrence in these lawsuits is property owners alleging that a state has violated the Takings Clause by taking their private property for public use without just compensation. Specifically, plaintiffs frequently sue states for failing to pay them the interest or income generated by their property while it sat in state custody.

Here are some examples of high-profile cases that have tackled this exact issue:

- In **Osborne v. PNC Bank**, the plaintiff sued the State of Alabama and PNC Bank, alleging they infringed on property interests by condemning the interest and income on estate and trust assets.
- In **Gerlach v. Rokita**, a proposed class action was filed against Indiana for failing to pay interest on non-interest-bearing property held by the state.
- In **Light v. Davis I & II**, class action lawsuits were brought against Delaware for its failure to pay interest on property in its custody.

**The Results:** In challenges regarding the failure to pay interest, the results heavily favor the state programs. In *Osborne*, the district court dismissed the case, the Eleventh Circuit affirmed the dismissal, and the petition for rehearing was denied, closing the case. Similarly, in *Gerlach*, the district court dismissed the case, the Seventh Circuit affirmed, and the U.S. Supreme Court ultimately denied the plaintiff's petition in early 2025. Cases like *Light v. Davis I* and Texas's *Ambriz v. Hancock* were similarly dismissed or remanded with instructions to dismiss without prejudice. While some appellate courts have vacated and remanded these dismissals (such as in Florida's *Maron v. Ingoglia*), plaintiffs have struggled to secure definitive, final victories on the interest issue.

## Due Process

The second major trend involves owners claiming their property was wrongfully seized, mishandled, or liquidated—especially securities and stock—without due process. Plaintiffs often allege that the state failed to provide sufficient pre-deprivation or post-deprivation notice before taking or selling their assets.

Some cases illustrating this trend include:

- In **Knellinger v. Young**, plaintiffs alleged that the Colorado Unclaimed Property Division seized property without notice, sold it, and mishandled it in custody.
- In **Garza v. Woods**, plaintiffs accused the Arizona Department of Revenue of seizing property without notice, selling it, and mishandling it.
- In **Schramm v. Mayrack**, a proposed class action against Delaware alleged inadequate notice and a failure to compensate owners whose securities were liquidated.
- In **Peters v. Cohen**, a German citizen and former Amazon employee alleged the wrongful escheat and taking of his Amazon stock by the State of California.

**The Results:** Due process challenges regarding notice and seizure often survive longer in the court system, though states still largely defend them successfully. While district courts routinely grant motions to dismiss these claims initially, appellate courts have occasionally stepped in to reverse and remand them for further proceedings. For example, in *Knellinger* (Colorado) and *Garza* (Arizona), the Tenth and Ninth Circuits, respectively, reversed parts of the lower courts' dismissals and remanded the cases back for further litigation.

However, even when plaintiffs push these procedural claims to the highest level—as seen in California's *Peters v. Cohen*—the U.S. Supreme Court often denies their petitions for a writ of certiorari, leaving lower court dismissals or summary judgments in place.

Ultimately, while states face persistent, systemic legal challenges regarding how they notify owners and handle interest, the historical litigation record shows that state unclaimed property programs are resilient against these cases.

Therefore, staff believes that the proposed policy, which mirrors that already in place in several other states, is legally defensible, and should be considered for its benefits for the State’s budget.

## Line Item Detail

### Personal Services

This line item provides funding for employees' salaries and wages, as well as the associated state contribution to the Public Employees Retirement Association and the state share of federal Medicare contributions. This line item also provides funding for certain professional and temporary services.

**Statutory Authority:** Section 24-50-101 *et seq.*, C.R.S.

**Request:** The Department requests \$2,183,472 total funds for this line item, all of it cash funds, with 27.0 FTE.

**Recommendation:** Staff recommends \$1,951,466 cash funds and 24.0 FTE for this line item.

#### Unclaimed Property Program, Personal Services

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
<b>FY 2025-26 Appropriation</b>						
SB 25-206 Long Bill	\$1,900,442	\$0	\$1,900,442	\$0	\$0	24.0
HB 26-1171 Supplemental Bill	\$0	\$0	\$0	\$0	\$0	0.0
<b>Total FY 2025-26</b>	<b>\$1,900,442</b>	<b>\$0</b>	<b>\$1,900,442</b>	<b>\$0</b>	<b>\$0</b>	<b>24.0</b>
<b>FY 2026-27 Recommended Appropriation</b>						
FY 2025-26 Appropriation	\$1,900,442	\$0	\$1,900,442	\$0	\$0	24.0
Prior year actions	51,024	0	51,024	0	0	0.0
R2 UP Division staff	0	0	0	0	0	0.0
<b>Total FY 2026-27</b>	<b>\$1,951,466</b>	<b>\$0</b>	<b>\$1,951,466</b>	<b>\$0</b>	<b>\$0</b>	<b>24.0</b>
Changes from FY 2025-26	\$51,024	\$0	\$51,024	\$0	\$0	0.0
Percentage Change	2.7%	n/a	2.7%	n/a	n/a	0.0%
FY 2026-27 Executive Request	\$2,183,472	\$0	\$2,183,472	\$0	\$0	27.0
Staff Rec. Above/-Below Request	-\$232,006	\$0	-\$232,006	\$0	\$0	-3.0

## Operating Expenses

This line item provides funding for supplies and materials, as well as capital outlay, utilities, custodial services, equipment rental, storage, dues and subscriptions, postage, and printing.

**Statutory Authority:** 38-13-801 (2)(a), C.R.S.

**Request:** The Department requests \$1,909,649 total funds for this line item, all of it cash funds.

**Recommendation:** Staff recommends an appropriation of \$1,902,149 cash funds for this line item.

### Unclaimed Property Program, Operating Expenses

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
<b>FY 2025-26 Appropriation</b>						
SB 25-206 Long Bill	\$1,595,549	\$0	\$1,595,549	\$0	\$0	0.0
HB 26-1171 Supplemental Bill	\$0	\$0	\$0	\$0	\$0	0.0
<b>Total FY 2025-26</b>	<b>\$1,595,549</b>	<b>\$0</b>	<b>\$1,595,549</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2026-27 Recommended Appropriation</b>						
FY 2025-26 Appropriation	\$1,595,549	\$0	\$1,595,549	\$0	\$0	0.0
R3 UP Division related expenses	306,600	0	306,600	0	0	0.0
R2 UP Division staff	0	0	0	0	0	0.0
<b>Total FY 2026-27</b>	<b>\$1,902,149</b>	<b>\$0</b>	<b>\$1,902,149</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Changes from FY 2025-26	\$306,600	\$0	\$306,600	\$0	\$0	0.0
Percentage Change	19.2%	n/a	19.2%	n/a	n/a	n/a
FY 2026-27 Executive Request	\$1,909,649	\$0	\$1,909,649	\$0	\$0	0.0
Staff Rec. Above/-Below Request	-\$7,500	\$0	-\$7,500	\$0	\$0	0.0

## Promotion and Correspondence

The Department's promotional efforts are designed to notify owners of lost and forgotten assets held in trust by the state.

**Statutory Authority:** Section 38-13-501, 38-13-503 C.R.S.

**Request:** The Department requests \$200,000 total funds for this line item, all of it cash funds.

**Recommendation:** Staff recommends approval of this request.

## Contract Auditor Services

This line item provides funding for employees' salaries and wages, as well as the associated state contribution to the Public Employees Retirement Association and the state share of federal Medicare contributions. This line item also provides funding for certain professional and temporary services.

**Statutory Authority:** Section 38-13-801 (2)(b), C.R.S.

**Request:** The Department requests \$800,000 total funds for this line item, all of it cash funds.

**Recommendation:** Staff recommends approval of this request.

## (3) Special Purpose Division

The Special Purpose Division contains programs that are largely pass-through in nature. While the Treasury disburses the funds, determined based on statutory formulas and other legal requirements, it does not directly administer these programs. Notable examples include reimbursements to local governments for the Senior Citizen and Disabled Veteran Property Tax Exemption and the Business Personal Property Tax Exemption, distribution of Highway Users Tax Fund proceeds to counties and municipalities, and state payments to the Public Employees' Retirement Association (PERA) to reduce unfunded liabilities.

### Special Purpose

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
<b>FY 2025-26 Appropriation</b>						
SB 25-206 Long Bill	\$944,741,581	\$462,833,626	\$399,365,257	\$82,542,698	\$0	0.0
HB 26-1171 Supplemental Bill	\$0	\$0	\$0	\$0	\$0	0.0
Other Legislation	\$6,347,000	\$0	\$6,347,000	\$0	\$0	0.0
<b>Total FY 2025-26</b>	<b>\$951,088,581</b>	<b>\$462,833,626</b>	<b>\$405,712,257</b>	<b>\$82,542,698</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2026-27 Recommended Appropriation</b>						
FY 2025-26 Appropriation	\$951,088,581	\$462,833,626	\$405,712,257	\$82,542,698	\$0	0.0
Technical adjustments	96,112,520	10,895,023	86,254,734	-1,037,237	0	0.0
Prior year actions	0	-787,237	0	787,237	0	0.0
SI2 Homestead reduction	-183,700,000	-183,700,000	0	0	0	0.0
<b>Total FY 2026-27</b>	<b>\$863,501,101</b>	<b>\$289,241,412</b>	<b>\$491,966,991</b>	<b>\$82,292,698</b>	<b>\$0</b>	<b>0.0</b>
Changes from FY 2025-26	-\$87,587,480	-\$173,592,214	\$86,254,734	-\$250,000	\$0	0.0
Percentage Change	-9.2%	-37.5%	21.3%	-0.3%	0.0%	0.0%
FY 2026-27 Executive Request	\$1,047,201,101	\$472,941,412	\$491,966,991	\$82,292,698	\$0	0.0
Staff Rec. Above/-Below Request	-\$183,700,000	-\$183,700,000	\$0	\$0	\$0	0.0

## → Staff initiated 2: Reduce senior homestead exemption

### Recommendation

Staff recommends that the committee consider authorizing a contingent mechanism that ties the value of the homestead exemption to the amount of certified TABOR surplus (or lack thereof) from the prior year.

This approach has two primary advantages.

1. The exemption will be funded only from available TABOR surplus, nullifying the potential General Fund impact.

2. The General Assembly would not need to preemptively reduce or eliminate the exemption based on forecast uncertainty, only to later discover that sufficient surplus was available to offer the benefit.

**Current projections indicate that this would save \$183.4 million General Fund in FY 2026-27**, although that number is subject to change in future forecasts.

## Additional context about the proposed mechanism

The State Controller issues a certification on September 1 each year identifying the amount by which revenue exceeds (or falls below) the TABOR limit for the completed fiscal year. For example, the September 1, 2026 certification will determine whether a TABOR surplus exists for FY 2025-26 and in what amount. That certification triggers the administrative process for setting refund mechanisms. Currently, when a refund obligation exists, the anticipated homestead reimbursement is deducted from the surplus before calculating the remaining refund mechanisms, with DOR acting in consultation with LCS between September 1 and October 1.

Staff recommends that the Committee sponsor legislation that would tie the availability of the Homestead Exemption to the availability of a TABOR surplus in the prior year. The legislation could be one-time, for only FY 2026-27, or a permanent change to provide longer-term certainty.

Under the proposed framework, the bill would direct to either the OSC, or DOR<sup>26</sup> to compare the estimated Homestead obligation for FY 2026-27 (as identified in the June 2026 revenue forecast from the office selected for budget balancing in March) to the September 1, 2026, TABOR certification from the State Controller. If the certified surplus exceeds the projected homestead cost, the exemption would be provided in full. If the surplus is insufficient, the statute could either proportionally reduce the exemption or suspend it entirely.

Under this structure, the homestead exemption would be provided if the state is above the TABOR cap for FY 2025-26, while ensuring that it does not become a General Fund obligation in the absence of a surplus.

Staff notes that the existing structure, paid as a TABOR refund during surpluses and General Fund obligation when there is no surplus, adds a large General Fund obligation to the State's budget at precisely the time when State revenues are down. Because the refund mechanism inherently puts the obligation outside of the General Fund base, absorbing the General Fund obligation during a revenue shortfall has to displace roughly \$200 million in other General Fund uses or deplete the reserve.

## Summary

- **Tying the exemption directly to actual TABOR outlook:** Staff recommends creating a contingent mechanism that only funds the senior homestead exemption when there is a certified TABOR surplus. This prevents the exemption from crowding out other General Fund priorities during revenue shortfalls.
- **General Fund impact:** Because state revenues are projected to fall below the Referendum C cap in FY 2025-26, current forecasts indicate that there will be no TABOR surplus to fund the exemption. Under current law, this means the General Fund will be forced to absorb the estimated \$183.4<sup>27</sup> million cost in FY 2026-27.

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<sup>26</sup> Staff is engaged in discussion with LLS to identify the specifics for this mechanism.

<sup>27</sup> This number reflects LCS estimate of exclusively the senior portion of the exemption.

- **Precedents of reduction exist:** The General Assembly has reduced the senior exemption to zero during previous fiscal shortfalls in 2003–2005 and 2009–2011, though the veteran exemption has never been reduced.
- **Mitigation strategies for vulnerable population:** For seniors who cannot afford a potential property tax increase, safety nets are available. The state's existing Property Tax Deferral Program allows seniors to delay payment without facing displacement. Additionally, the legislature could choose to expand the Property Tax, Rent, and Heat (PTC) Rebate to provide targeted, flat-rate relief to the lowest-income seniors.

## Analysis

The following analysis provides the Committee with projections regarding General Fund savings, the estimated tax impact on benefit recipients, and alternative policy options to protect vulnerable homeowners.

### Program Overview and Fiscal Context

The Colorado Constitution grants a property tax exemption to qualifying senior citizens<sup>28</sup> and disabled veterans with a 100% permanent and total disability, or an individual unemployability rating. The exemption shields 50% of the first \$200,000 of a home's actual value from property taxes. The State Treasurer then reimburses local governments for this foregone revenue.

Since Senate Bill 17-267, this exemption is funded as the state's first TABOR refund mechanism. However, when state revenues fall below the Referendum C cap—as forecasted for FY 2025-26—there are no TABOR refunds available. This means the General Fund must absorb the full cost of the exemption the following year, which is currently projected to be \$183.7 million in FY 2026-27 based on the December 2026 Legislative Council Staff Revenue Forecast.

The General Assembly has reduced the senior exemption to zero during previous fiscal shortfalls in 2003–2005 and 2009–2011, though the veteran exemption has never been reduced. Staff therefore models a reduction of the senior exemption, not the disabled veteran exemption, although both are theoretically possible under the constitution.

### Baseline Assumptions

To provide the committee with an accurate projection of budget-balancing options, staff modeled four reduction scenarios based on the most recent projections from Legislative Council Staff (LCS). LCS projects the total state reimbursement cost for the senior exemption at roughly \$183.4 million for the upcoming year.

Staff assumes a large majority of participating seniors fall into the \$200,000+ real property value range and thus currently maximize the exemption benefit. This is based on county-level homestead data and because the state median home value exceeds \$500,000.

In this section, staff refers to modifying the exemption by lowering the "eligible value cap." For example, the General Assembly could reduce the maximum eligible value from \$200,000 under current law to \$100,000. Under this alternative, 50% of the first \$100,000 of actual value (i.e., a \$50,000 maximum exemption) would be

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<sup>28</sup> Age 65 and older who have occupied their primary residence for at least ten years.

shielded from property taxation, compared to current law which exempts 50% of the first \$200,000 (i.e., a \$100,000 maximum exemption).

### Estimated General Fund savings

The General Assembly has the constitutional authority to raise or lower the amount of residential value that is exempt from taxation. Based on the \$183.7 million total projection for the senior homestead exemption, reducing the eligible value cap yields the following retained revenue for the General Fund:

General Fund saved under different homestead exemption reduction scenarios

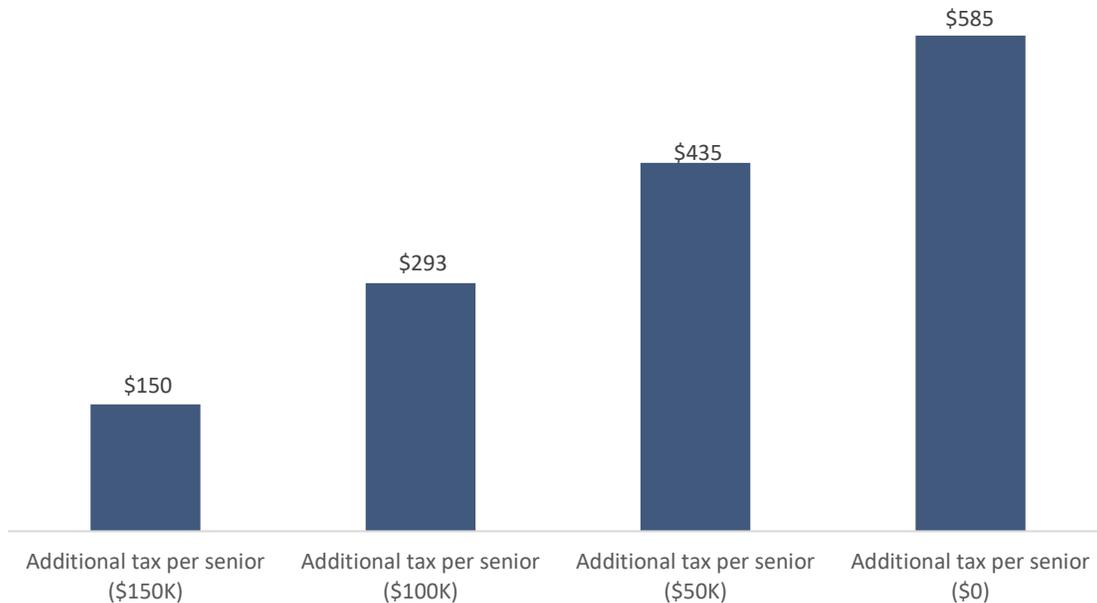


### Actual impact on senior homeowners

The following chart presents modeled statewide averages across the estimated 313,251 participating senior households. Based on the \$183.7 million projection, the estimated average one-time property tax increase per participating senior household would be approximately \$147 under a \$150,000 value cap, \$293 under a \$100,000 value cap, \$440 under a \$50,000 value cap, and \$586 under a \$0 value cap.<sup>29</sup>

<sup>29</sup> These numbers would vary based on local mill levies. Staff used an assumed mill levy to arrive at a value for the exemption near the average current law value of the exemption.

## Average additional tax per homestead-eligible property under different reduction scenarios



### Geographic Disparities

Staff notes that the figures above represent statewide averages. Seniors residing in high-property-value counties (e.g., Adams, Arapahoe, Boulder) will see tax impacts moderately higher on average. Conversely, seniors in lower-property-value, rural counties (e.g., Baca, Otero) will see impacts well below these averages, sometimes remaining near zero under the \$150K and \$100K value cap scenarios.

### Mitigation strategies for vulnerable populations

Some beneficiaries could likely afford a moderate property tax increase without significant risk of foreclosure, but some seniors may be financially vulnerable if the exemption is eliminated. The following alternatives—one available under current law and another requiring legislation—may provide more targeted taxpayer relief while reducing overall fiscal impact.

#### Property tax deferral program

Statute<sup>30</sup> allows senior homeowners to defer property tax payments. In the cases where senior citizens are unable to afford this one-time tax increase, affected parties may defer their tax payment. This would require no specific action from the General Assembly aside from the reduction itself, as the administrative burden falls to county treasurers.<sup>31</sup>

<sup>30</sup> 39-3.5-105.5, C.R.S.

<sup>31</sup> According to JBC-sponsored legislation S.B. 25-261

This program was designed specifically to prevent this scenario: seniors being taxed out of their homes. By relying on the deferral program, the state treats the homestead exemption primarily as a broad tax break, rather than duplicating it as a targeted program for high-need populations.

## **Expand Property Tax, Rent, and Heat rebate**

The Colorado Department of Revenue (DOR) administers the Property Tax, Rent, and Heat (PTC) Rebate for low-income seniors and individuals with disabilities. To protect financially vulnerable homeowners, the General Assembly could consider expanding this program by increasing the maximum rebate amount for property owners who currently receive the Senior Homestead Exemption.

Staff consulted with DOR regarding administrative feasibility and with the Office of Legislative Legal Services (LLS) regarding potential legal considerations. LLS indicated that they do not have immediate legal concerns with this approach. DOR indicated that expanding the PTC program in this manner would be administratively feasible, including obtaining data from counties to identify eligible recipients. However, the department cautioned that administrative complexity would increase significantly if the rebate were structured to precisely mirror each recipient's foregone homestead benefit (i.e., tied to individual property tax rates). A flat supplemental rebate for qualifying homestead recipients would be considerably easier to administer.

DOR further indicated that, although it does not have a precise estimate, it anticipates that the overlap between PTC recipients and homestead exemption beneficiaries is likely small—likely fewer than 10,000 households out of more than 300,000 total homestead recipients. As a result, some financially vulnerable seniors who do not qualify for PTC may still be affected by changes to the homestead exemption.

## **Conclusion**

To address the state's budget balancing requirements, staff recommends contingently reducing the Senior Homestead Exemption eligible value cap. The Committee may adjust the specific cap amount to calibrate the General Fund savings against the additional tax burden placed on senior citizens. If the Committee is particularly concerned about the impact on seniors who may feel the change more acutely, staff recommends expanding the PTC rebate. However, staff notes that a policy framework to prevent displacement already exists under current law via the state's property tax deferral program.

## **Line Item Detail**

### **Senior Citizen and Disabled Veteran Property Tax Exemption**

This line item provides funding to reimburse local governments for property taxes foregone as a result of the Senior Citizen and Disabled Veteran Property Tax Exemption. Current law grants a property tax exemption to qualifying senior citizens and disabled veterans equal to 50.0 percent of the first \$200,000 of residential property value. The Constitution authorizes the General Assembly to raise or lower the maximum amount of actual value that is exempt from taxation. The State Treasurer is required to reimburse local governments for the resulting lost property tax revenues.

**Constitutional Authority:** Authorized in Section 3.5 of Article X of the State Constitution and implemented in Sections 39-3-201 through 208, C.R.S.

**Request:** The Department requests \$189,403,889 General Fund for this line item.

**Recommendation:** Staff recommends legislation to reduce this line item based on the actual TABOR refund numbers. The current projected reduction is shown below.

### Special Purpose, Senior Citizen and Disabled Veteran Property Tax Exemption

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
<b>FY 2025-26 Appropriation</b>						
SB 25-206 Long Bill	\$180,237,698	\$180,237,698	\$0	\$0	\$0	0.0
HB 26-1171 Supplemental Bill	\$0	\$0	\$0	\$0	\$0	0.0
<b>Total FY 2025-26</b>	<b>\$180,237,698</b>	<b>\$180,237,698</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2026-27 Recommended Appropriation</b>						
FY 2025-26 Appropriation	\$180,237,698	\$180,237,698	\$0	\$0	\$0	0.0
Technical adjustments	9,166,191	9,166,191	0	0	0	0.0
SI2 Homestead reduction	-183,700,000	-183,700,000	0	0	0	0.0
<b>Total FY 2026-27</b>	<b>\$5,703,889</b>	<b>\$5,703,889</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Changes from FY 2025-26	-\$174,533,809	-\$174,533,809	\$0	\$0	\$0	0.0
Percentage Change	-96.8%	-96.8%	n/a	n/a	n/a	n/a
FY 2026-27 Executive Request	\$189,403,889	\$189,403,889	\$0	\$0	\$0	0.0
Staff Rec. Above/-Below Request	-\$183,700,000	-\$183,700,000	\$0	\$0	\$0	0.0

### Business Personal Property Tax Exemption

This line item provides an estimate of the amount needed to reimburse local governments for lost revenue as a result of the Business Personal Property Tax Exemption. The program was expanded through H.B. 21-1312 in FY 2021-22 from a threshold of \$7,900 to \$50,000 of business personal property on which businesses are exempt from paying tax.

**Statutory Authority:** Section 39-3-119.5, C.R.S.

**Request:** The Department requests \$189,403,889 General Fund for this line item.

**Recommendation:** Staff recommends approval of this line item. Staff requests permission to make adjustments to the line item related to the March OSPB revenue forecast.

### Highway Users Tax Fund – County Payments

This line item provides an estimate of the amount that will be distributed to counties from the Highway Users Tax Fund (HUTF). Counties are required to use such funds for the construction, engineering, reconstruction, maintenance, repair, equipment, improvement, and administration of the county highway systems and any other public highways.

*Statutory authority:* The State Treasurer shall allocate 26.0 percent and 22.0 percent of the revenues raised by gasoline and special fuel excise tax to county treasurers pursuant to Sections 43-4-205 (5)(b) and 43-4-205 (6)(b)(II), C.R.S., respectively. Such funds shall be allocated and expended pursuant to Section 43-4-207, C.R.S.

**Statutory Authority:** Section 39-3-119.5, C.R.S.

**Request:** The Department requests \$260,106,594 cash funds for this line item.

**Recommendation:** Staff recommends approval of this line item. Staff requests permission to make adjustments to the line item related to the March OSPB revenue forecast.

## Highway Users Tax Fund – Municipality Payments

This line item provides an estimate of the amount that will be distributed to municipalities from the HUTF. Cities and incorporated towns are required to use such funds for the construction, engineering, reconstruction, maintenance, repair, equipment, improvement, and administration of the system of municipal streets or any other public highways located in the municipality.

**Statutory Authority:** The State Treasurer shall allocate 9.0 percent and 18.0 percent of the revenues raised by gasoline and special fuel excise tax to county treasurers pursuant to Sections 43-4-205 (5)(c) and 43-4-205 (6)(b)(III), C.R.S., respectively. Such funds shall be allocated and expended pursuant to Section 43-4-208 (2), C.R.S. and 43-4-208 (2)(b) and (6)(a).

**Request:** The Department requests \$180,100,397 cash funds for this line item.

**Recommendation:** Staff recommends approval of this line item. Staff requests permission to make adjustments to the line item related to the March OSPB revenue forecast.

## Lease Purchase of Academic Facilities Pursuant Sec. 23-19.9-102, C.R.S.

This line item reflects the State’s share of the annual base rent payments due on the State of Colorado Higher Education Capital Construction Lease Purchase Financing Program Certificates of Participation. Pursuant to Section 23-19.9-102 (1)(b), C.R.S., the General Assembly may annually appropriate money in the Higher Education Federal Mineral Lease Revenues Fund to the Department of Higher Education for transfer to the State Treasurer and money transferred to the Treasurer is continuously appropriated for the purpose of making payments related to capital construction projects.

**Statutory Authority:** Section 23-19.9-102, C.R.S.

**Request:** The Department requests \$17,437,100 reappropriated funds for this line item.

**Recommendation:** Staff recommends approval of this line item.

## Lease Purchase of Academic Facilities Pursuant Sec. 24-82-803, C.R.S.

This line item reflects the State’s share of annual base rent payments authorized in 2020 in S.B. 20-219 due on existing capital construction needs for state institutions of higher education that are continuations of previously funded projects. These projects include the Shepardson Building Renovation and Addition at Colorado State

University, the Health Sciences Center at Fort Lewis College, and the Anschutz Health Sciences Building at the University of Colorado.

**Statutory Authority:** Section 24-82-803, C.R.S.

**Request:** The Department requests \$4,753,000 reappropriated funds for this line item.

**Recommendation:** Staff recommends approval of this line item.

## Public School Fund Investment Board Pursuant Sec. 22-41-102.5, C.R.S.

This line item reflects the costs incurred by the Public School Fund Investment Board for administrative and investment expenses related to Public School Fund investments.

**Statutory Authority:** Section 22-41-102.5, C.R.S.

**Request:** The Department requests \$1,760,000 cash funds for this line item.

**Recommendation:** Staff recommends approval of this line item.

## S.B. 17-267 Collateralization Lease Purchase Payments

This line item reflects the annual lease purchase payments due on the S.B. 17-267 state building collateralization certificates of participation.

**Statutory Authority:** Section 24-82-1303 (2), C.R.S.

**Request:** The Department requests \$150,000,000 total funds with \$100,000,000 General Fund and \$50,000,000 cash funds for this line item.

**Recommendation:** Staff recommends approval of this line item.

## Direct Distribution for Unfunded Actuarial Accrued PERA Liability

This informational line item was added in S.B. 18-200 (Modifications to PERA to Eliminate Unfunded Liability) to reflect the \$225.0 million payment for the PERA unfunded liability.

**Statutory Authority:** Section 24-51-414 (5), C.R.S.

**Request:** The Department requests \$225,000,000 total funds with \$164,897,402 General Fund and \$60,102,598 cash funds for this line item.

**Recommendation:** Staff recommends approval of this line item, in accordance with committee action on this common policy.

## Law Enforcement Officers' & Firefighters' Cont. Health Benefits Prog.

This line item provides funding to support the Law Enforcement Officers' and Firefighters' Continuation of Health Benefits Program.

**Statutory Authority:** Title 29, Art 5, Pt. 5, C.R.S.

**Request:** The Department requests a reduction of 150,000 cash funds for this line item.

**Recommendation:** Staff recommends approval of this line item.

## **Tax Credit Sales Proceeds**

This line item reflects HB25B-1004/1006, removing \$6,347,000.

**Statutory Authority:** n/a

**Request:** The Department requests a reduction of 6,347,000 cash funds for this line item.

**Recommendation:** Staff recommends approval.

# Long Bill Footnotes and Requests for Information

## Long Bill Footnotes

Staff recommends **DISCONTINUING** the following footnote:

104a DEPARTMENT OF THE TREASURY, UNCLAIMED PROPERTY PROGRAM -- IN ADDITION TO THE TRANSFER AUTHORITY PROVIDED IN SECTION 24-75-108, C.R.S., THE DEPARTMENT MAY TRANSFER UP TO \$37,850 CASH FUNDS AMONG THE FOLLOWING LINE ITEMS IN THIS SECTION: PERSONAL SERVICES AND OPERATING EXPENSES.

**Comment:** This footnote was introduced in the FY 2025-26 supplemental bill to allow a one-time spending authority transfer between line items. Staff recommends removing this footnote, as it is no longer necessary.

## Requests For Information

Staff recommends **continuing** the following requests for information.

- 4 Department of Agriculture; Department of Public Safety; Department of Higher Education, Judicial Department; Department of Transportation; Department of Personnel Administration – State agencies with existing certificates of participation, the payments for which are subject to annual State appropriations, are requested to report annually, on or before September 1, to the Department of the Treasurer the following information for the full duration of the projects financed through certificates of participation: the name and total amount of the project financed; whether and when it was refinanced/refunded; the original financing date of the project; the total outstanding debt for the project; future principal payment amounts for the amortization of the debt by date and fund source; future interest payment amounts for the amortization of the debt by date and fund source; and the call feature and call dates.
- 1 Department of the Treasury, Administration – The State Treasurer is requested to submit an annual report to the Joint Budget Committee concerning the performance of the State's investments. The report should include comparisons to relevant benchmarks and a detailed discussion of the benchmarks. This report should be submitted on November 1 of each fiscal year.
- 2 Department of the Treasury, Special Purpose – The State Treasurer is requested to submit an annual report to the Joint Budget Committee concerning the status of the State's debt obligations for all certificates of participation for all Departments with existing certificates of participation, the payments for which are subject to annual State appropriation. The report should include the current state fiscal year payments, the upcoming state fiscal year obligations, schedules of each certificate of participation reported on, and historical and current interest rates that the State is paying on each certificate of participation. The report should be submitted on November 1 of each fiscal year.

# Appendix A: More information about homestead

## Mechanism and Administration of the Senior Homestead Exemption

One must understand the Exemption's administrative lifecycle to fully understand the impact of modifying it. Colorado property taxes are assessed and paid in arrears. Therefore, a budget-balancing reduction passed in the spring of 2026 will alter tax bills that are mailed and paid in early 2027.

### The Administrative cycle

Currently, the exemption operates through a three-phase cycle involving the homeowner, the County Assessor, and the County Treasurer.

1. **Application (The Homeowner & Assessor):** To receive the exemption, a senior must apply with their local County Assessor by July 15. Once approved, the exemption remains permanently attached to the property unless the senior moves or the property changes ownership. Notably, seniors who have already applied and been granted the exemption do not need to reapply.
2. **Notification (The Assessor):** Seniors are notified of their exemption status on the Notice of Valuation, which is mailed by the Assessor around May 1st.
3. **Billing and State Reimbursement (The Treasurer):** In January of the following year, the County Treasurer mails the official property tax bill. The bill explicitly displays a line-item deduction for the "Senior Exemption" (e.g., a credit of -\$600) and calculates the final net tax due. In April, the State Treasurer wires the total exempted amount to the county to backfill the lost revenue.

### Timeline of Impact for a Reduction

If the General Assembly reduces the eligible value cap to balance the FY 2026-27 budget, the administrative fallout follows a specific timeline.

- **Fall 2026:** Following the statutory change, all 64 County Assessors will update their property tax software systems to apply the new, lower exemption formula.
- **December 2026:** Assessors certify the final tax rolls to County Treasurers. Because the exempted value has been reduced (or eliminated), the total taxable value of the counties will increase.
- **January 2027:** Participating seniors will open their property tax bills. The "Senior Exemption" line item they are accustomed to seeing will either be removed or reduced. County Treasurers and Assessors will be the primary point of contact fielding inquiries from seniors who have questions about their higher bill.

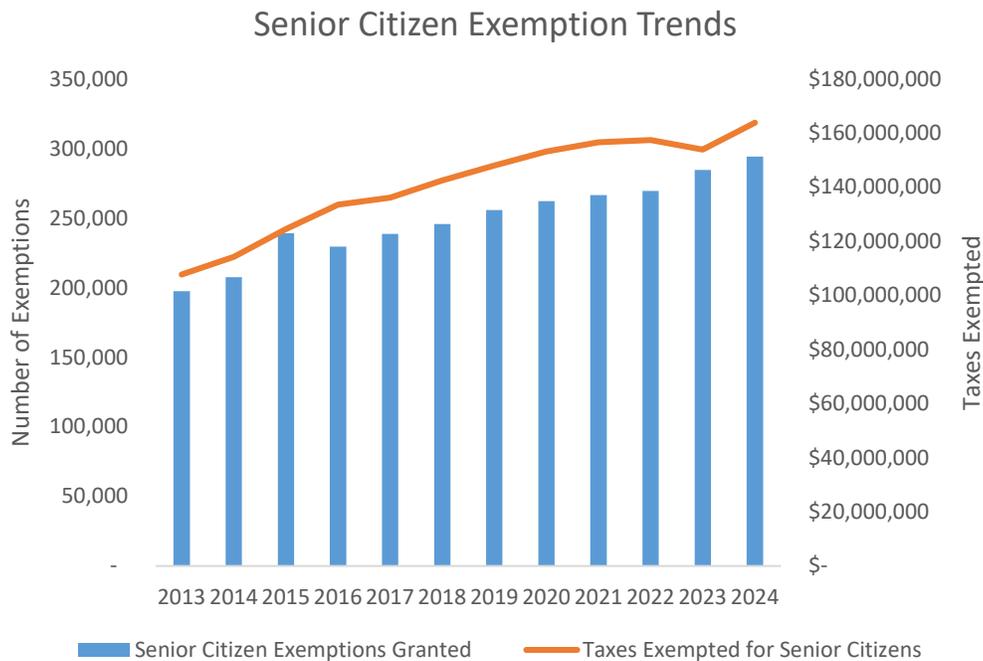
## How seniors would pay the increased tax

How a senior experiences this tax increase depends on whether they still hold a mortgage on their primary residence.

- **Scenario A: Seniors Without a Mortgage (Direct Payment)**  
 Seniors who own their homes outright pay their property taxes directly to the county. The State of Colorado does not allow for monthly property tax payments. These seniors will have to absorb the tax increase through large, lump-sum payments based on the statutory deadlines:
  - Option 1 (Half-Payments): The first half is due by the last day of February, and the second half is due by June 15.
  - Option 2 (Full Payment): The entire tax bill is due by April 30.
- **Scenario B: Seniors With a Mortgage (Escrow Payment)**  
 If the senior still has a mortgage, their property taxes are typically handled through an escrow account. The bank pays the higher tax bill to the county in the spring on the senior's behalf. However, to cover the shortfall and prepare for the following year, the lender will conduct an "escrow analysis" and automatically increase the senior's monthly mortgage payment going forward. This effectively spreads the tax increase into a monthly burden, reducing the senior's fixed monthly discretionary income.

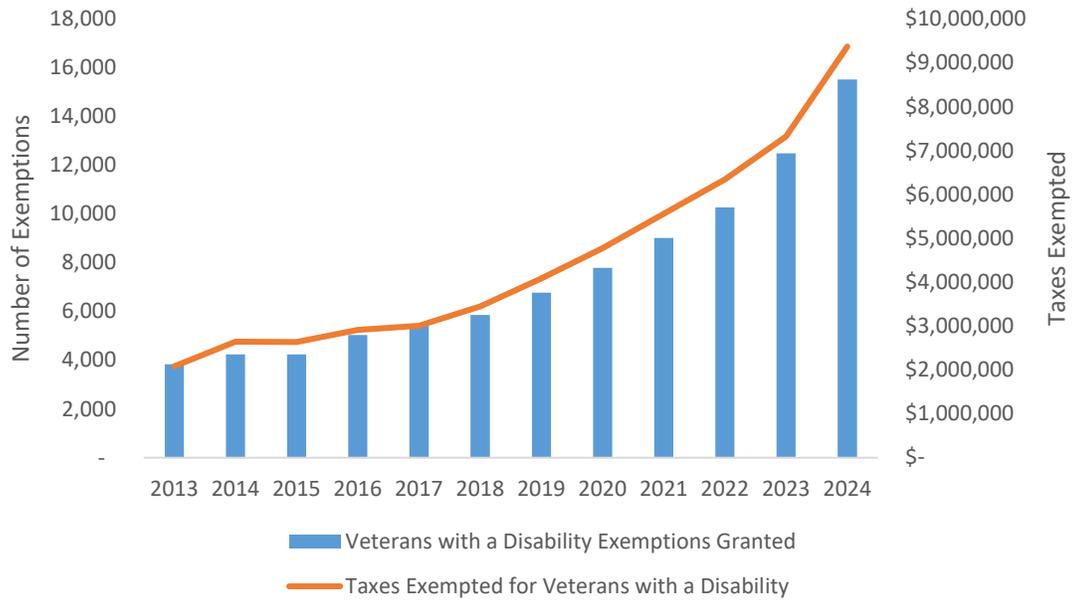
## History of homestead exemption

Property tax exemptions for senior citizens comprise the majority of total exemptions granted and total amount exempted.



Property tax exemptions for veterans with a disability comprise a much smaller share of total exemptions granted and total amount exempted.

### Disabled Veterans Exemption Trends



Source for Homestead Exemptions: Department of Local Affairs, Property Tax Division, *Fifty-fourth Annual Report to the General Assembly*.

<https://drive.google.com/file/d/1TYLvrNOpUYxvgVjTOX5VH-gnWQwTcX9k/view>

## Appendix B: Numbers Pages

Appendix A details the actual expenditures for the last two state fiscal years, the appropriation for the current fiscal year, the requested appropriation for next fiscal year, and the staff recommendation. Appendix A organizes this information by line item and fund source.

**JBC Staff Figure Setting - FY 2026-27**  
**Staff Working Document - Does Not Represent Committee Decision**

**Appendix A: Numbers Pages**

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
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**DEPARTMENT OF THE TREASURY**  
**Dave Young, State Treasurer**

**(1) ADMINISTRATION**

ng Administrative Cash Fund.

Personal Services	<u>3,813,545</u>	<u>4,447,931</u>	<u>4,501,796</u>	<u>5,176,105</u>	<u>5,019,193</u> *
FTE	35.0	38.0	40.0	44.0	42.0
General Fund	2,708,053	3,341,573	2,996,669	3,060,346	2,903,434
Cash Funds	1,105,492	1,106,358	1,505,127	2,115,759	2,115,759
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Health, Life, and Dental	<u>503,429</u>	<u>613,685</u>	<u>771,411</u>	<u>1,233,284</u>	<u>1,116,043</u> *
General Fund	318,303	370,943	462,744	672,091	625,195
Cash Funds	185,126	242,742	308,667	561,192	490,848
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	1	0
Short-term Disability	<u>5,665</u>	<u>6,015</u>	<u>3,654</u>	<u>4,276</u>	<u>4,033</u> *
General Fund	3,845	3,820	2,398	2,658	2,560
Cash Funds	1,820	2,195	1,256	1,618	1,473
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

**JBC Staff Figure Setting - FY 2026-27**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Paid Family and Medical Leave Insurance	0	0	23,490	27,489	25,927 *
General Fund	0	0	15,416	17,089	16,459
Cash Funds	0	0	8,074	10,400	9,468
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Unfunded Liability Amortation Equalization					
Disbursement Payments	0	399,430	521,995	610,859	576,159 *
General Fund	0	249,889	342,578	379,751	365,751
Cash Funds	0	149,541	179,417	231,108	210,408
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Salary Survey	285,111	153,814	142,960	195,813	195,813
General Fund	188,824	100,411	93,523	124,272	124,272
Cash Funds	96,287	53,403	49,437	71,541	71,541
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Step Pay	0	102,735	40,364	2,849	2,849
General Fund	0	57,369	38,777	2,849	2,849
Cash Funds	0	45,366	1,587	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

**JBC Staff Figure Setting - FY 2026-27**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
PERA Direct Distribution	<u>9,550</u>	<u>75,527</u>	<u>87,776</u>	<u>94,391</u>	<u>94,391</u>
General Fund	6,310	49,137	57,606	59,920	59,920
Cash Funds	3,240	26,390	30,170	34,471	34,471
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Workers' Compensation and Payment to Risk Management and Property Funds	<u>61,565</u>	<u>35,707</u>	<u>35,349</u>	<u>39,473</u>	<u>39,230</u>
General Fund	61,565	35,707	35,349	39,473	39,230
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Operating Expenses	<u>1,879,035</u>	<u>2,410,446</u>	<u>1,111,274</u>	<u>1,029,003</u>	<u>1,024,003</u>
General Fund	1,879,035	2,410,446	950,277	890,543	885,543
Cash Funds	0	0	160,997	138,460	138,460
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Information Technology Asset Maintenance	<u>11,667</u>	<u>14,573</u>	<u>28,000</u>	<u>28,000</u>	<u>28,000</u>
General Fund	9,000	7,666	14,000	14,000	14,000
Cash Funds	2,667	6,907	14,000	14,000	14,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

**JBC Staff Figure Setting - FY 2026-27**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Legal Services	440,154	<u>122,197</u>	<u>152,159</u>	<u>307,352</u>	<u>307,352</u>
General Fund	124,629	35,437	47,393	95,730	95,730
Cash Funds	315,525	86,760	104,766	211,622	211,622
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Capitol Complex Leased Space	<u>61,119</u>	<u>62,530</u>	<u>70,019</u>	<u>66,127</u>	<u>65,485</u>
General Fund	36,444	37,285	41,750	39,429	39,047
Cash Funds	24,675	25,245	28,269	26,698	26,438
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Payments to OIT	<u>218,532</u>	<u>276,532</u>	<u>313,900</u>	<u>364,219</u>	<u>364,219</u> *
General Fund	139,570	164,866	190,344	220,857	220,857
Cash Funds	78,962	111,666	123,556	143,362	143,362
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
CORE Operations	<u>434,192</u>	<u>185,258</u>	<u>165,485</u>	<u>852,312</u>	<u>759,333</u>
General Fund	195,386	83,366	74,468	383,539	341,699
Cash Funds	238,806	101,892	91,017	468,773	417,634
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
CORE Payroll	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,615</u>	<u>1,615</u> *
General Fund	0	0	0	969	969
Cash Funds	0	0	0	646	646

**JBC Staff Figure Setting - FY 2026-27**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Charter School Facilities Financing Services	<u>8,677</u>	<u>8,955</u>	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>
General Fund	0	0	0	0	0
Cash Funds	8,677	8,955	7,500	7,500	7,500
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Discretionary Fund	<u>2,492</u>	<u>256</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
General Fund	2,492	256	5,000	5,000	5,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
S.B. 04-257 Amortization Equalization					
Disbursement	<u>190,832</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	129,981	0	0	0	0
Cash Funds	60,851	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
S.B. 06-235 Supplemental Amortization					
Equalization Disbursement	<u>190,832</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	129,981	0	0	0	0
Cash Funds	60,851	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

**JBC Staff Figure Setting - FY 2026-27**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
<b>TOTAL - (1) Administration</b>	8,116,397	8,915,591	7,982,132	10,045,667	9,636,145
<i>FTE</i>	<u>35.0</u>	<u>38.0</u>	<u>40.0</u>	<u>44.0</u>	<u>42.0</u>
General Fund	5,933,418	6,948,171	5,368,292	6,008,516	5,742,515
Cash Funds	2,182,979	1,967,420	2,613,840	4,037,150	3,893,630
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	1	0

**JBC Staff Figure Setting - FY 2026-27**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
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**(2) UNCLAIMED PROPERTY PROGRAM**

This program collects unclaimed property and attempts to locate and return it to the legal owners or heirs. Funding source is the Unclaimed Property Trust Fund.

Personal Services	<u>1,370,690</u>	<u>1,681,906</u>	<u>1,900,442</u>	<u>2,183,472</u>	<u>1,951,466</u> *
FTE	22.0	24.0	24.0	27.0	24.0
General Fund	0	0	0	0	0
Cash Funds	1,370,690	1,681,906	1,900,442	2,183,472	1,951,466
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Operating Expenses	<u>806,224</u>	<u>1,088,162</u>	<u>1,595,549</u>	<u>1,909,649</u>	<u>1,902,149</u> *
General Fund	0	0	0	0	0
Cash Funds	806,224	1,088,162	1,595,549	1,909,649	1,902,149
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Promotion and Correspondence	<u>194,061</u>	<u>147,061</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
General Fund	0	0	0	0	0
Cash Funds	194,061	147,061	200,000	200,000	200,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Contract Auditor Services	<u>281,238</u>	<u>718,675</u>	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>
General Fund	0	0	0	0	0
Cash Funds	281,238	718,675	800,000	800,000	800,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

**JBC Staff Figure Setting - FY 2026-27**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
<b>TOTAL - (2) Unclaimed Property Program</b>	2,652,213	3,635,804	4,495,991	5,093,121	4,853,615
<i>FTE</i>	<u>22.0</u>	<u>24.0</u>	<u>24.0</u>	<u>27.0</u>	<u>24.0</u>
General Fund	0	0	0	0	0
Cash Funds	2,652,213	3,635,804	4,495,991	5,093,121	4,853,615
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

**JBC Staff Figure Setting - FY 2026-27**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
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**(3) SPECIAL PURPOSE**

yed in a natural disaster. The General Fund appropriation for the Senior Citizen and Disabled Veteran Property Tax Exemption is exempt from the statutory limits on General Fund appropriations.

Senior Citizen and Disabled Veteran Property Tax

Exemption	<u>161,582,103</u>	<u>173,103,226</u>	<u>180,237,698</u>	<u>189,403,889</u>	<u>5,703,889</u>
General Fund	161,582,103	173,103,226	180,237,698	189,403,889	5,703,889
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

Household Financial Recovery Program

Household Financial Recovery Program	<u>200,000</u>	<u>19,489,967</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	200,000	19,489,967	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

Business Personal Property Tax Exemption

Business Personal Property Tax Exemption	<u>16,505,463</u>	<u>19,489,967</u>	<u>17,948,526</u>	<u>18,640,121</u>	<u>18,640,121</u>
General Fund	16,505,463	19,489,967	17,948,526	18,640,121	18,640,121
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

Highway Users Tax Fund - County Payments

Highway Users Tax Fund - County Payments	<u>231,508,887</u>	<u>244,709,052</u>	<u>213,053,162</u>	<u>260,106,594</u>	<u>260,106,594</u>
General Fund	0	0	0	0	0
Cash Funds	231,508,887	244,709,052	213,053,162	260,106,594	260,106,594
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

**JBC Staff Figure Setting - FY 2026-27**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Highway Users Tax Fund - Municipality Payments	<u>166,181,346</u>	<u>177,042,582</u>	<u>134,402,095</u>	<u>180,100,397</u>	<u>180,100,397</u>
General Fund	0	0	0	0	0
Cash Funds	166,181,346	177,042,582	134,402,095	180,100,397	180,100,397
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Property Tax Reimbursement for Property Destroyed by Natural Cause	<u>28,022</u>	<u>2,516</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	28,022	2,516	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Lease Purchase of Academic Facilities Pursuant to Section 23-19.9-102, C.R.S.	<u>17,432,169</u>	<u>17,437,100</u>	<u>17,437,100</u>	<u>17,437,100</u>	<u>17,437,100</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	17,432,169	17,437,100	17,437,100	17,437,100	17,437,100
Federal Funds	0	0	0	0	0
Lease Purchase of Academic Facilities Pursuant to Section 24-82-803, C.R.S.	<u>4,754,875</u>	<u>4,750,459</u>	<u>4,753,000</u>	<u>4,753,000</u>	<u>4,753,000</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	4,754,875	4,750,459	4,753,000	4,753,000	4,753,000
Federal Funds	0	0	0	0	0

**JBC Staff Figure Setting - FY 2026-27**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Public School Fund Investment Board Pursuant to Section 22-41-102.5 C.R.S.	<u>796,136</u>	<u>1,327,468</u>	<u>1,760,000</u>	<u>1,760,000</u>	<u>1,760,000</u>
General Fund	0	0	0	0	0
Cash Funds	796,136	1,327,468	1,760,000	1,760,000	1,760,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
S.B. 17-267 Collateralization Lease Purchase					
Payments	<u>645,233,954</u>	<u>431,757,188</u>	<u>150,000,000</u>	<u>150,000,000</u>	<u>150,000,000</u>
General Fund	97,972,368	97,970,218	100,000,000	100,000,000	100,000,000
Cash Funds	547,261,586	333,786,970	50,000,000	50,000,000	50,000,000
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Direct Distribution for Unfunded Actuarial Accrued PERA Liability	<u>49,561,045</u>	<u>225,000,000</u>	<u>225,000,000</u>	<u>225,000,000</u>	<u>225,000,000</u>
General Fund	36,119,075	165,957,118	164,647,402	164,897,402	164,897,402
Cash Funds	4,561,045	0	0	0	0
Reappropriated Funds	8,880,925	59,042,882	60,352,598	60,102,598	60,102,598
Federal Funds	0	0	0	0	0
Law Enforcement Officers' and Firefighters' Continuation of Health Benefits Program	<u>0</u>	<u>150,000</u>	<u>150,000</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	0	150,000	150,000	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

**JBC Staff Figure Setting - FY 2026-27**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2023-24 Actual	FY 2024-25 Actual	FY 2025-26 Appropriation	FY 2026-27 Request	FY 2026-27 Recommendation
Tax credit sales proceeds	0	0	6,347,000	0	0
Cash Funds	0	0	6,347,000	0	0
Payment to the Colorado Housing and Finance Authority	0	200,000	0	0	0
General Fund	0	200,000	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
<b>TOTAL - (3) Special Purpose</b>	1,293,784,000	1,314,459,525	951,088,581	1,047,201,101	863,501,101
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	312,407,031	476,213,012	462,833,626	472,941,412	289,241,412
Cash Funds	950,309,000	757,016,072	405,712,257	491,966,991	491,966,991
Reappropriated Funds	31,067,969	81,230,441	82,542,698	82,292,698	82,292,698
Federal Funds	0	0	0	0	0
<b>TOTAL - Department of the Treasury</b>	1,304,552,610	1,327,010,920	963,566,704	1,062,339,889	877,990,861
FTE	57.0	62.0	64.0	71.0	66.0
General Fund	318,340,449	483,161,183	468,201,918	478,949,928	294,983,927
Cash Funds	955,144,192	762,619,296	412,822,088	501,097,262	500,714,236
Reappropriated Funds	31,067,969	81,230,441	82,542,698	82,292,698	82,292,698
Federal Funds	0	0	0	1	0