



Joint Budget Committee Staff

Memorandum

To: Joint Budget Committee
From: Emily Pope, JBC Staff 303-866-4961
Date: Wednesday, April 16, 2025
Subject: [Staff recommended Long Bill conference committee amendments](#)

Staff recommends that the Conference Committee on S.B. 25-206 (FY 2025-26 Long Bill) adopt several amendments listed in the table on the following pages. Recommendations result in a net increase of \$132.1 million total funds, including an increase of \$1.2 million General Fund and 2.6 FTE.

The changes reflect technical corrections and recommendations of larger amounts identified by Staff for further discussion. Memos for recommended amendments related to Capital Construction and the Departments of Public Safety, Human Services, and Higher Education are attached to this document.

Staff Recommended Long Bill Conference Committee Amendments

Purpose Clause	Department	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE	Staff
Technical amendments								
Corrects a technical error in calculating the original appropriation by adding \$1.0 million from the Judicial Department IT Cash Fund for the Courts & Probation Case Management System project in IT Capital.	IT Cap	\$1,000,000	\$0	\$1,000,000	\$0	\$0	0.0	Thompson
Increases appropriations by \$655,780 total funds to Health, Life, and Dental lines across all departments to reflect estimated insurance premium costs.	Total Comp	655,780	432,101	12,490	103,152	108,037	0.0	Burmeister
Adds \$58,198 total funds, including \$29,099 General Fund, in the Department of Health Care Policy and Financing to correct a technical drafting error related to the transfer of Medicaid funding for programs operated by the Department of Human Services.	DHS, HCPF	58,198	29,099	0	0	29,099	0.0	Dermody
Adds \$3,000 General Fund to the Department of Higher Education for Senate Bill 20-219 COP payments.	Higher Ed	3,000	3,000	0	0	0	0.0	Lowe
Increases the Limited Purpose Fee-for-Service Contracts with State Institutions line item in the Department of Higher Education to align with amounts reappropriated to the governing boards.	Higher Ed	10	10	0	0	0	0.0	Bickel
Moves the FTE notation from the General Fund column to the Item & Subtotal column for the Pet Animal Care Facilities Act line item in the Department of Agriculture.	Agriculture	0	0	0	0	0	0.0	Canagarajah
Reallocates \$12,151 General Fund from Health, Life, and Dental to Medical Services Operating Expenses in the Department of Corrections to correct a drafting error.	Corrections	0	0	0	0	0	0.0	Brakke
Makes net-zero changes to shift \$234,155 total funds, including \$58,539 General Fund, between line items in the Department of Health Care Policy and Financing to correctly allocate funding for the expansion of Hospital Backup Unit eligibility.	HCPF	0	0	0	0	0	0.0	Dermody
Corrects cash fund sources for dental services in Medical Services Premiums in the Department of Health Care Policy and Financing, increasing the amount from the Adult Dental Fund by \$2,326,924 and reducing the amount from the Healthcare Affordability and Sustainability Fee Cash Fund by the same amount.	HCPF	0	0	0	0	0	0.0	Kurtz
Corrects subtotal formatting for the Colorado Disability Opportunity Office in the Department of Labor and Employment.	Labor	0	0	0	0	0	0.0	Canagarajah
Moves funding for FTE in the Office of New Americans in the Department of Labor and Employment to the appropriate line item. Moves \$101,232 General Fund from the Colorado Refugee Services Program line to the Program Costs line. Additionally, moves \$4,436 cash funds from the Program Cost line to the Statewide Welcome, Reception, and Integration Grant Program line and adjusts an impacted letternote.	Labor	0	0	0	0	0	0.0	Canagarajah
Makes technical changes to the Department of Law including: (1) correcting FTE count added for potential litigation with the federal government, (2) correcting a letternote identifying a repealed fund as custodial funds, (3) shifting \$11,279 General Fund from Legal Services to State Agencies to the Patterns and Practices program to account for a bill annualization error, (4) renaming a	Law	0	0	0	0	0	0.0	Thompson

Staff Recommended Long Bill Conference Committee Amendments

Purpose Clause	Department	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE	Staff
division and line item, and (5) updating legal services rates in the annual footnote to reflect changes made to health, life, and dental line items.								
Amends a letternote for marijuana health effects monitoring in the Department of Public Health and Environment to replace an erroneous appropriation from the Marijuana Cash Fund with various sources of cash funds.	CDPHE	0	0	0	0	0	0.0	Shen
Makes various technical adjustments to letternotes in the Department of Public Safety.	Public Safety	0	0	0	0	0	0.0	Brakke
Amends a letternote for the Division of Racing Events to align with appropriations in the Department of Revenue.	Revenue	0	0	0	0	0	0.0	Catlett
Amends a letternote and (l) notation to align with appropriations to the Department of the Treasury.	Treasury	0	0	0	0	0	0.0	Lowe
Corrects an error identifying a prior project in IT Capital for the Department of Health Care Policy and Financing by updating it with the current project name.	IT Capital	0	0	0	0	0	0.0	Thompson
Reduces Marijuana Tax Cash Funds for the Institute for Cannabis Research in the Department of Higher Education by \$725,000 to correct a drafting error.	Higher Ed	-725,000	0	-725,000	0	0	0.0	Lowe
Shifts \$500,000 in reappropriated fund spending authority from indirect cost recoveries to various sources of reappropriated funds in the Department of Public Health and Environment. Additionally, removes \$500,000 federal funds from indirect cost assessments across the department.	CDPHE	-500,000	0	0	0	-500,000	0.0	McLeer
Makes technical changes to appropriations in FY 2024-25 and FY 2025-26 to reflect actions taken by the Joint Budget Committee that were erroneously omitted. Adds \$213,123 General Fund in FY 2024-25 to the operating expenses line item in the Office of Bridges of Colorado, an independent agency in the Judicial Department. Removes \$288,099 General Fund from operating expenses in FY 2025-26 to reflect delayed implementation of the psychology assessment team and adds 3.0 FTE that was omitted from the draft bill. It also makes several changes to reflect the Bridges of Colorado name to be consistent with statute.	Judicial	-288,099	-288,099	0	0	0	3.0	Thompson
Subtotal		\$203,889	\$176,111	\$287,490	\$103,152	-\$362,864	3.0	
Amendments identified for discussion								
Adds \$94.0 million cash funds from institutional sources for a Department of Higher Education project for the Colorado State University Veterinary Health and Education Center in Capital Construction. <i>Memo attached.</i>	Capital	\$94,000,021	\$0	\$94,000,021	\$0	\$0	0.0	Uhl
Appropriates \$37.6 million from the Colorado Crime Victim Services Fund (the Fund) for the Department of Public Safety. Of this amount, \$30.0 million is appropriated in a new line item related to revenue collected from the firearms and ammunition excise tax and transferred to the Fund pursuant to the passage of Proposition KK. Another \$7.6 million is appropriated in a new line item related to prior General Fund appropriations to the Fund. Adds a footnote that provides one-year of roll-forward spending authority for Proposition KK-related funding. This includes \$1.0 million for the School Security Disbursement Program and \$30.0 million for Colorado Crime Victim Services. <i>Memo attached.</i>	Public Safety	37,566,671	0	37,566,671	0	0	0.0	Brakke

Staff Recommended Long Bill Conference Committee Amendments

Purpose Clause	Department	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE	Staff
Adds \$1,043,147 total funds, including \$834,518 General Fund, to the Department of Human Services for the Aid to the Needy Disabled Programs. Adds a footnote expressing the General Assembly's intent that this amount be used for changes to the methodology for calculating the maintenance of effort for adult financial assistance program funding for Title XVI of the federal Social Security Act. <i>Memo attached.</i>	DHS	1,043,147	834,518	208,629	0	0	0.0	Dermody
Increases General Fund by \$196,000 for the Colorado Commission on Higher Education and Higher Education Special Purpose Programs Administration in the Department of Higher Education. The change addresses an annualization error for the implementation of HB 24-1364 (Education-Based Workforce Readiness).	Higher Ed	196,000	196,000	0	0	0	0.0	Low
Adjusts amounts in the Department of Higher Education that are reappropriated to individual governing boards based on a technical correction to the data used in the higher education funding model. This change adds \$587,045 reappropriated funds for the College Opportunity Fund fee-for-service contract with Adams State University (ASU) and reduces the sum of the amounts allocated to the other nine governing boards by the same amount. After the Long Bill was introduced, ASU and the Department determined that the data used for ASU in the performance section of the funding model was incorrect.	Higher Ed	0	0	0	0	0	0.0	Bickel
Strikes the line item for Local School Food Purchasing Programs in the Department of Education, resulting in a reduction of \$675,729 cash funds from the State Education Fund and 0.4 FTE. The Department cannot distribute these funds in FY 2025-26 based on current statutory authority.	Education	-675,729	0	-675,729	0	0	-0.4	Bickel
Subtotal		\$132,130,110	\$1,030,518	\$131,099,592	\$0	\$0	-0.4	
Total		\$132,333,999	\$1,206,629	\$131,387,082	\$103,152	-\$362,864	2.6	



Joint Budget Committee Staff

Memorandum

To: Joint Budget Committee Members
From: Andrea Uhl, JBC Staff (303-866-4956)
Date: Tuesday, April 15, 2025
Subject: [\\$94.0 million cash funds for CSU Veterinary Health and Education Center - Capital Construction \(J.181\)](#)

Colorado State University requests, and JBC staff recommends, an appropriation of \$94.0 million cash funds from institutional sources for the cash component of the CSU Veterinary Health and Education Center Project. The first phase of the project was approved by the Capital Development Committee through CSU's two-year projection of cash need in August 2023. For FY 2024-25, CSU requested \$25.0 million in state funds and \$75.0 million in cash funds spending authority through the regular Capital Construction process. House Bill 24-1231 (State Funding for Higher Education Projects) provided \$50.0 million for the project from the issuance of certificates of participation (COPs), covering the entire anticipated request for state funds.

Because the project was originally approved through the two-year projection of cash need process for higher education institutions, and it is uncommon for projects to be financed by a combination of COPs and institutional cash, CSU was unaware that they needed to request spending authority for the \$94.0 million cash component of the project through the regular Capital Construction process. Because the COPs are repaid using state funds (with payments beginning in FY 2027-28), this is not an all-cash project and an appropriation by the General Assembly is therefore required. JBC and CDC staff advised CSU to seek CDC approval and request a conference committee amendment to S.B. 25-206 (Long Bill) to include the appropriation. Amendment J.181 has been drafted for the Committee's consideration.

The Capital Development Committee approved the request for cash funds spending authority on April 10, 2025. Supporting documents from the CDC are attached.

COLORADO GENERAL ASSEMBLY

Rep. Tammy Story, Chair
Rep. Mandy Lindsay
Rep. Ty Winter



Sen. Kyle Mullica, Vice-Chair
Sen. Nick Hinrichsen
Sen. Byron Pelton

Capital Development Committee

State Capitol Building, Room 029
Denver, Colorado 80203-1784
(303) 866-3521

April 10, 2025

Senator Jeff Bridges
Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, CO 80203

Dear Senator Bridges,

On April 10, 2025, the Capital Development Committee (CDC) considered one cash spending authority request. The CDC approved the request on a vote of 6-0. Table 1 summarizes the request. A description of the project is attached.

Table 1
Capital Development Committee Recommendation
Regarding Supplemental Request

Department Name	Project Title	Project Short Description	Cost
Colorado State University	Veterinary Health and Education Center	The project constructs additions to the James L. Voss Veterinary Teaching Hospital and the Johnson Family Equine Hospital.	\$94,000,021 CF

If you have any questions or concerns about the CDC's recommendation, please call Bo Pogue, Legislative Council Staff, at 303-866-5390.

Sincerely,

Representative Tammy Story
Chair, Capital Development Committee

- c: Capital Development Committee Members
- Joint Budget Committee Members
- Adrian Leiter, Governor's Office of State Planning and Budgeting
- Tammy Pacheco, Governor's Office of State Planning and Budgeting
- Brendan Hanlon, Colorado State University
- Mike Singleton, Colorado State University
- Amanda Bickel, Joint Budget Committee Staff
- Andrea Uhl, Joint Budget Committee Staff
- Capital Development Committee Staff



Capital Development Committee

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

**Colorado State University
Veterinary Health and Education Center**

2024-136

Motion

Reccomend the Colorado State University remaining cash funds contribution to the Veterinary Health and Education Center project (\$94,000,021 CF).

Project Status

The first phase of the project was approved on Colorado State University's (CSU) two-year projection of cash need in August 2023. For FY 2024-25, CSU requested \$25 million in state funds and \$75 million in cash funds spending authority. Instead, House Bill 24-1231 provided \$50 million for the project from the issuance of certificates of participation, covering the entire anticipated request for state funds. This request is for the remaining cash funds spending authority, including that identified in the FY 2024-25 request and the anticipated FY 2025-26 request.

**Table 1
Prior Appropriation and Request Information**

Fund Source	Prior Appropriation	Budget Year FY 2025-26	Out Year FY 2026-27	Future Requests	Total Costs
CCF	\$0	\$0	\$0	\$0	\$0
CF	\$136,000,000	\$94,000,021	\$0	\$0	\$230,000,021
Total					

Program Plan Status

Approved Program Plan: Yes

Date Approved: 2023

FCI: n/a

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Colorado State University
Veterinary Health and Education Center

2024-136

Project Description/Scope of Work

CSU is requesting cash funds spending authority to complete a project that constructs additions to the existing James L. Voss Veterinary Teaching Hospital. The project will allow the veterinary program to consolidate on the Veterinary Health Complex on South Campus and increase the size of the veterinary student population.

The project constructs additions to the Johnson Family Equine Hospital on the South Campus in Fort Collins, along with a new shop building and associated infrastructure. The new construction totals 210,532 GSF, and will house a livestock clinic and maintenance shop for the Veterinary Health Complex. The livestock facility provides animal holding and training for veterinarians in individual animal and herd production medicine. The Veterinary Teaching Hospital offers basic livestock care, surgery, internal medicine, and field services for the community in conjunction with veterinary training.

Phase I included project design and improved the Johnson Family Equine Hospital, and Phase II began renovating the existing veterinary hospital, deconstructing the Equine and Food Animal Barns, and completing the community practice space on the first floor. This request completes Phase II and Phase III, which addresses classroom, laboratory, and office spaces on the second and third floors.

Cost assumption. Costs derive from estimates from a CSU partner firm, and the project accounts for inflation. The cost per GSF is \$1,092 for the entire project. The project includes funding for the Art in Public Places program, but below the required threshold, and it complies with High Performance Certification Program, targeting LEED Gold.

Table 4
Project Schedule

Project Component	Start Date	Completion Date
Design		
Construction	May 2025	December 2025
Equipment		
Occupancy		

Project Justification

The project benefits the veterinary program by consolidating all four classes of students into a single learning environment, instead of dividing classes across CSU campuses due to lack of space in the Veterinary Health Complex. In addition, the project enables CSU to overhaul the

FISCAL YEAR 2025-26 CAPITAL CONSTRUCTION REQUEST

Colorado State University
Veterinary Health and Education Center

2024-136

curriculum and increase the cohort size by 30 students each year. Currently, the university receives over 4,000 applications annually and accepts 140.

Program Information

CSU's Doctor of Veterinary Medicine Program has been ranked as one of the country's top programs in recent years by U.S. News and World Report. The four-year program includes two years of biomedical education and clinical experience, followed by two years of clinical work in rotations at the university's teaching hospital. The College of Veterinary Medicine and Biomedical Sciences also hosts approximately 80 veterinary interns and residents.

Source of Cash Funds

The source of cash funds for the project is university resources and bonds.

Operating Budget

Operating expenses are paid from institutional sources.

Staff Questions and Issues

None.



Joint Budget Committee Staff

Memorandum

To: Joint Budget Committee
From: Justin Brakke, JBC Staff (303-866-4958)
Date: Tuesday, April 15, 2025
Subject: [\\$37.6 million appropriation from CO Crime Victim Services Fund \(J.179\)](#)

Summary

Amendment J.179 provides the Department of Public Safety with the authority to spend: (1) \$30.0 million in future Proposition KK revenue transferred to the Colorado Crime Victim Services Fund (the Fund), and (2) \$7.6 million in prior General Fund appropriations to the Fund.

This is necessary because the passage of Prop. KK changed the Fund from continuously to annually appropriated. There are two statutory exceptions where money the Fund is continuously appropriated.¹ All other money is annually appropriated. JBC staff recently confirmed this with the Office of Legislative Legal Services. However, the Executive Branch has been treating the Fund as continuously appropriated, even after the passage of Proposition KK.

Primary Use for the Fund

The Department uses the Fund to “award grants from the fund to governmental agencies and nonprofit organizations that provide services for crime victims, including attending to the needs of animal companions.” Grant awards “may be used to enhance or provide services for crime victims or for the prevention of crimes.” [Section 24-33.5-505.5 (3), C.R.S.]

Alternative Option [requires legislation]

In lieu of an annual appropriation, the JBC could sponsor legislation to continuously appropriate all money in the Fund to the Department of Public Safety.

Potential General Fund Balancing Option [requires legislation]

The current unencumbered and unobligated balance of the Fund is \$2.2 million. This includes prior General Fund transfers and appropriations to the Fund. The JBC and General Assembly may consider transferring this balance back to the General Fund for balancing purposes. This would require legislation. The Department says it plans to award the remaining \$2.2 million in July 2025 to applications that have already been submitted.

¹ Includes transfers in S.B. 22-183 (Crime Victims Services): \$32.0 million ARPA funds and \$6.0 million General Fund. Also includes \$4.0 million General Fund transferred in H.B. 24-1421 (Modifying Public Safety Program Funding).

What does J.179 do?

The amendment appropriates \$37.6 million from the Colorado Crime Victim Services Fund to the Department of Public Safety in FY 2025-26 and adds a footnote.

Of this amount, \$30.0 million is appropriated in a new line item related to Proposition KK. This line item applies to revenue collected from the firearms and ammunition excise tax and transferred to the Fund.

Another \$7.6 million is appropriated in a new line item related to prior General Fund appropriations to the Fund. This line item includes the estimated balance of these prior appropriations, which totaled \$10.0 million: \$8.0 million in the FY 2023-24 Long Bill and \$2.0 million in the FY 2024-25 Long Bill.

Lastly, the footnote provides one-year of roll-forward spending authority for Proposition KK-related funding. This includes \$1.0 million for the School Security Disbursement Program and \$30.0 million for the Colorado Crime Victim Services Fund.

CO Crime Victim Services Fund annually appropriated after passage of Prop. KK

The passage of Proposition KK changed the Fund from continuously to annually appropriated by the General Assembly. There are two statutory exceptions where money the Fund is continuously appropriated.² All other money is annually appropriated, including Prop. KK revenue. JBC staff confirmed this with the Office of Legislative Legal Services.

Additional background: How Prop. KK changed statute

Section 24-33.5-505.5 (2)(b) currently reads as follows:

“(b) Money paid into the fund pursuant to subsections (2)(e) and (4) of this section is continuously appropriated to the division for crime victim services grants, as described in subsection (3) of this section.”

Subsection (2)(e) refers to a \$4.0 million General Fund transfer to the Fund in H.B. 24-1421 (Modifying Public Safety Program Funding). Subsection (4) refers to transfers that occurred in S.B. 22-183 (Crime Victim Services): \$32.0 million ARPA funds and \$6.0 million General Fund.

Prior to the passage of Prop. KK, the Fund was continuously appropriated with no exceptions. Section 24-33.5-505.5 (2)(b) stated:

“(b) Money in the fund is continuously appropriated to the division for crime victim services grants, as described in subsection (3) of this section.”

² Includes transfers in S.B. 22-183 (Crime Victims Services): \$32.0 million ARPA funds and \$6.0 million General Fund. Also include \$4.0 million General Fund transferred in H.B. 24-1421 (Modifying Public Safety Program Funding).

April 15, 2025

However, Proposition KK explicitly labeled certain previous transfers as continuously appropriated. All other money, including Prop. KK revenue, is annually appropriated by default. Proposition KK changed statute as follows:

“(b) Money ~~is~~ PAID INTO the fund PURSUANT TO SUBSECTION (4) OF THIS SECTION is continuously appropriated to the division for crime victim services grants, as described in subsection (3) of this section.”

Optional Reading

Why was this not addressed during the budget process?

The Executive Branch has been asserting that the Fund is continuously appropriated and therefore does not require an appropriation. Additionally, both JBC and LCS staff missed the change in the fiscal analyses for H.B. 24-1349, which resulted in Proposition KK.

The Governor’s January 2025 budget request package included a request to implement Proposition KK. That request asserted, “The Crime Victims Services program within [the Department of Public Safety] does not require any budget action, since the fund that supports it (and receives Proposition KK) revenue is continuously appropriated to the department.” In other words, the Department did not ask for a Prop. KK-related appropriation from the Fund because it did not think it needed one. When asked more recently on April 9, 2025, the Department said, “Per the [Office of the State Controller], the Colorado Crime Victim Services Fund is continuously appropriated for the grants described in 24-33.5-505.5(3). H.B. 24-1349/Prop KK does not appear to change this interpretation.”

However, as previously noted, both JBC staff and OLLS agree that the Fund is annually appropriated unless otherwise specified in statute, hence amendment J.179.

Roll-forward authority in Long Bill footnote

Amendment J.179 provides the Department with one year of roll forward spending authority for Proposition KK-related appropriations. In other words, the Department may spend the FY 2025-26 appropriation through the end of FY 2026-27. This applies to both the CO Victim Services Fund (\$30.0 million) and the School Security Disbursement Program (\$1.0 million). The one-year timeframe is consistent with the Governor’s January request. That request stated,

“In the FY 2025-26 Long Bill and following Long Bills, OSPB requests that one year of rollforward authority be granted to the cash fund spending authority for the two BHA programs as well as the School Security Disbursement Program and the reappropriated DMVA funds. Since the revenues supporting those programs are expected to be collected in the last quarter of the fiscal year, departments will have difficulty getting funds out the door without rollforward.”

However, the Department says that it needs more than one-year of roll forward authority for the Crime Victim Services program. Due to time constraints, JBC staff recommends that the JBC

approve one year of roll forward authority and have the Department come back later with a budget request that thoroughly explains the ongoing need for a longer timeframe.

Full text of Section 24-33.5-505.5 (2) through (4): Colorado Crime Victim Services Fund

(2) (a) The Colorado crime victim services fund is created in the state treasury and referred to in this section as the “fund”. The fund consists of money transferred to the fund pursuant to subsections (2)(e) and (4) of this section, money transferred to the fund pursuant to section 39-37-301 (2)(a)(I), and any other money that the general assembly may appropriate or transfer to the fund.

(b) Money paid into the fund pursuant to subsections (2)(e) and (4) of this section is continuously appropriated to the division for crime victim services grants, as described in subsection (3) of this section.

(c) Money paid into the fund pursuant to section 39-37-301 (2)(a)(I) must be used for crime victim services grants, as described in subsection (3) of this section.

(d) The state treasurer shall credit all interest and income derived from the deposit and investment of money in the fund to the fund.

(e) (I) On July 1, 2024, the state treasurer shall transfer four million dollars from the general fund to the fund.

(II) This subsection (2)(e) is repealed, effective July 1, 2025.

(2.5) (a) For the 2023-24 state fiscal year, seven hundred forty-four thousand three hundred fifty-one dollars is annually appropriated from the fund to the department for the purpose of developing and maintaining the confidential and secure statewide system pursuant to section 24-33.5-113.5.

(b) This subsection (2.5) is repealed, effective July 1, 2025.

(3) The division shall award grants from the fund to governmental agencies and nonprofit organizations that provide services for crime victims, including attending to the needs of animal companions. A grant award may be used to enhance or provide services for crime victims or for the prevention of crimes. The division shall award grants from the fund in accordance with the division’s process for awarding grants described in section 24-33.5-507.

(4) Within three days after May 19, 2022, the state treasurer shall transfer thirty-two million dollars to the fund from the economic recovery and relief cash fund, created in section 24-75-228, and transfer six million dollars to the fund from the general fund. The money transferred to the fund that originates from money the state received from the federal coronavirus state fiscal recovery fund may only be used for services permitted pursuant to the federal “American Rescue Plan Act of 2021”, Pub.L. 117-2.



Joint Budget Committee Staff

Memorandum

To: Joint Budget Committee Members
From: Tom Dermody, JBC Staff (303-866-4963)
Date: Tuesday, April 15, 2025
Subject: [PTC rebate conversion and SSA-MOE \(Statewide BA1\)](#)

Due to complexities arising from the implementation of the proposed conversion of the Property Tax, Rent, and Heat (PTC) rebate into an income tax credit, the Office of State Planning and Budgeting (OSPB) is no longer seeking the Committee's sponsorship of legislation for this purpose. Instead, OSPB and the Department of Human Services (DHS) request:

- 1 an FY 2025-26 appropriation of \$1,043,147 total funds, including \$834,518 General Fund and \$208,629 cash funds from local funds, for the Aid to the Needy Disabled Program;
- 2 an annualization of \$2,086,294 total funds, including \$1,669,036 General Fund and \$417,258 cash funds, in FY 2026-27 and ongoing; and
- 3 authority for technical adjustments in future years to ensure compliance with federal Maintenance of Effort (MOE) requirements.

This funding will support the implementation of a methodology change in the calculation of the Maintenance of Effort for adult financial assistance programs as required by Title XVI of the federal Social Security Act. The change moves MOE calculations from a total expenditure model to a payment level model. The change in funding methodology creates a baseline monthly payment of \$142 for individuals participating in the Aid to the Needy Disabled Program. This baseline amount is intended to ensure that no supported individual experiences a significant negative impact from the methodology change. The Department anticipates implementing the methodology change beginning January 2026 and is required to inform the federal Social Security Administration by October 2025.

Staff recommends the Committee:

- 1 approve the FY 2025-26 requested appropriations;
- 2 approve the FY 2026-27 annualization; and
- 3 deny the technical adjustment authority.

Due to the complexity of this policy change and the minimal amount of time staff has had to assess the ongoing fiscal impact of this request, future technical adjustments to payment levels should be explicitly reviewed and approved by the Joint Budget Committee. Further, staff **recommends the inclusion of a footnote** in the FY 2025-26 Long Bill expressing the General Assembly's intent that the funding increase be used for the implementation of the MOE methodology change.

Background on Maintenance of Effort for Supplemental Security Income

The Department of Human Service must meet a Maintenance of Effort requirement under an agreement with the Social Security Administration to support vulnerable populations who receive Supplemental Security Income, like low-income elderly and disabled residents. The current MOE is structured as a total expenditure model, meaning the state has to spend a specific dollar amount under the program in order to receive federal contributions.

Expenditures for the Property Tax, Rent, and Heat rebate contribute to this obligation, along with the Old Age Pension, Aid to the Needy and Disabled, Home Care Allowance and Child Support Pass-through expenditures.

The Maintenance of Effort threshold is set annually by the Social Security Administration. The MOE threshold consists of two parts: the base and an annual adjustment. The current MOE base is \$27,538,626. In any year that the total expenditures exceed the MOE threshold, the over-expenditure is added to the following year's threshold. In any year where the total expenditures are under the MOE threshold, the dollar amount that the State is short must be made up in the following year. Thus, the Department attempts to get as close to the threshold as possible.

Colorado has been short of meeting the threshold for the last several years. Under the current total expenditure methodology, when caseload declines, the per capita payments typically increase to offset projected shortfalls in meeting the MOE requirement. Declining adult financial programs caseloads over the last few years have significantly increased MOE payments to compensate for those declines. A key strategy to close the gap in years when the MOE obligation is projected to be missed through natural spending is making additional lump sum payments from available appropriations to participants in qualifying programs. This creates a high degree of variability and inconsistency with program payments to recipients.

Only seven of the 45 states operating a State Supplementary Payment program utilize the total expenditures method for its MOE obligation. This is likely because this methodology is challenging; as Colorado has experienced, the MOE target continually increases and is very difficult to hit exactly in a caseload-driven process. Alternatively, states can choose to use the payments level method to meet their MOE obligation. The other 38 states operating a State Supplementary Payment program use this methodology. For this option, the amount of payments provided to SSI recipients must be above the amount issued in March of 1983.



Joint Budget Committee Staff

Memorandum

To: Joint Budget Committee Members
From: Louellen Lowe, JBC Staff (303-866-2981)
Date: Tuesday, April 15, 2025
Subject: [\\$196,000 General Fund for the Colorado Department of Higher Education, for HB 24-1364 \(Education-Based Workforce Readiness\)](#)

The Department of Higher Education requests an appropriation of \$196,000 General Fund to implement HB 24-1364 (Education-Based Workforce Readiness). In its FY 2025-26 budget request submission, the Department neglected to reflect the annualization of this bill in its Administration line item.

The bill requires the Colorado Department of Education to complete a financial study to review postsecondary and workforce readiness programs and their potential costs and cost savings (due April 2026). It also creates the Colorado Statewide Longitudinal Data System (SLDS) to establish a means to share education and workforce data and outcomes with students, families, educators, and policy makers. The bill transferred General Fund into the SLDS cash fund for costs in FY 2024-25 and assumes General Fund appropriations for out-year costs.

The Department's costs are assumed to be contract costs to provide data and connect the Student Unit Records System to the SLDS. Without this funding, the Department's portion of the project will certainly be halted, and it's possible the whole project may be delayed as a result.