

# FY 2026-27 Budget Briefing Summary

## Treasury

The State Treasurer is one of five independently elected constitutional officers in the state. The Department of the Treasury consists of three sections in the Long Bill: Administration, Unclaimed Property Program, and Special Purpose. The budget in this department reflects 2.8% of the state’s General Fund, with 98.8% of that being passthrough funds in the Special Purpose Division.

## Summary of Request

### Department of Treasury

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
<b>FY 2025-26 Appropriation</b>						
SB 25-206 (Long Bill)	\$956,652,266	\$468,107,225	\$406,002,343	\$82,542,698	\$0	62.0
Other legislation	6,887,689	163,744	6,723,945	0	0	2.0
<b>Total</b>	<b>\$963,539,955</b>	<b>\$468,270,969</b>	<b>\$412,726,288</b>	<b>\$82,542,698</b>	<b>\$0</b>	<b>64.0</b>
<b>FY 2026-27 Requested Appropriation</b>						
FY 2025-26 Appropriation	\$963,539,955	\$468,270,969	\$412,726,288	\$82,542,698	\$0	64.0
R1 Admin staff and software	310,632	0	310,632	0	0	2.0
R2 UP Division staff	331,627	0	331,627	0	0	3.0
R3 UP Division related expenses	306,600	0	306,600	0	0	0.0
Employee compensation common policies	559,345	289,571	269,774	0	0	0.0
Operating common policies	903,718	396,483	507,235	0	0	0.0
Impacts driven by other agencies	-9,532	-5,790	-3,742	0	0	0.0
Technical adjustments	108,727,118	13,430,371	95,296,747	0	0	0.0
Prior year actions	210,730	-939,067	362,560	787,237	0	2.0
<b>Total</b>	<b>\$1,074,880,193</b>	<b>\$481,442,537</b>	<b>\$510,107,721</b>	<b>\$83,329,935</b>	<b>\$0</b>	<b>71.0</b>
Increase/-Decrease	\$111,340,238	\$13,171,568	\$97,381,433	\$787,237	\$0	7.0
Percentage Change	11.6%	2.8%	23.6%	1.0%	N/A	10.9%

**R1 Administrative Division Staffing and Software:** The Department seeks funding for 2.0 FTE and software price increases across the accounting and administration units to help provide financial and operational support for the Department’s programs. The request includes an increase in transaction fee cash funds appropriations and has a net zero impact on Treasury-specific General Fund appropriations. Staff notes that while request is reflected as a cash funds appropriation, it actually reduces available General Fund in the amounts shown below because unused cash funds from this source revert to General Fund at the end of the fiscal year. As a result, spending the cash funds in FY 2026-27 would reduce available General Fund in FY 2027-28.

- Year 1: The cost is \$310,632 cash funds and 2.0 FTE.
- Year 2: The cost is \$312,407 General Funds for 2.0 FTE.

**R2 Unclaimed Property Division Staffing:** The department seeks funding for 3.0 FTE in the Unclaimed Property Division. The request includes 2.0 FTE to support claims, and 1.0 FTE to support auditing.

- Year 1: The cost is \$331,627 cash funds and 3.0 FTE.
- Year 2: The cost is \$334,174 cash funds for 3.0 FTE.

**R3 Unclaimed Property Division Operating Expenses:** The Department seeks funding for the increasing cost of operations caused by increasing claims volume. The request includes claims management system cost increases (KAPs), postage costs, LexisNexis licenses, and shipping costs.

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

## Issues Presented

### Issue 1: Budget Reduction Options

The Department of Treasury represents 2.8 percent of total state General Fund appropriations in FY 2025-26, with the vast majority of the General Fund in pass-through distributions in the Special Purpose section. Staff has identified potential General Fund reductions of up to \$230.0 million, representing approximately 49 percent of the Department’s General Fund appropriations.

- Staff proposals affect pass-through funding for the Homestead Exemption Program, transfers from the Unclaimed Property Trust Fund (UPTF), and administrative appropriations.
- Key implications for decreasing the Homestead Exemption to \$0 include:
  1. An increase in property tax bills for senior citizens and/or disabled veterans in tax year 2026.
  2. This option only provides General Fund relief if the State is below the TABOR Referendum C cap, as projected for FY 2025-26.
- Key implications for decreasing administrative appropriations include:
  3. Potential reductions in staff and administrative capacity, as personnel-related costs comprise most expenditures in this division.
  4. Possible delays in program support and reduced ability to meet workload demands.
- Key implications for transfers from the UPTF—including potential legal, financial, and TABOR risks—are discussed in greater detail in a separate issue brief.

### Issue 2: Unclaimed Property Program

The Unclaimed Property Program safeguards and returns lost or abandoned property to its rightful owners, which may include individuals, businesses, or public institutions.

- The principal balance of the UPTF is growing, reflecting more unclaimed assets entering the fund than being returned to owners.
  5. The Treasury department has lowered the claim response time to 10 days—80 days below its statutory obligation.
- The General Assembly has periodically transferred or loaned UPTF principal to support state programs, most notably the Adult Dental program and recent loans enacted under S.B. 25-290 (Stabilization Payments for Safety Net Providers).
- Some states provide examples for presuming property abandoned after a set period, allowing reversion of property to support state programs (e.g., Louisiana, New Hampshire, Maine, New Mexico).

6. A model in the briefing document illustrates potential revenue impacts under hypothetical laws presuming abandonment after 30, 20, 10, or 5 years, showing scenarios with and without accounting for administrative costs, transfers, and interest.
- While such policies could increase short-term revenue, they carry significant legal and fiscal risks—including potential Fifth Amendment challenges (as raised in *Knellinger v. Young*), mandatory General Fund backfills if claims exceed the fund balance, and TABOR implications.

## For More Information

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To read the entire briefing: Go to [leg.colorado.gov/content/budget/budget-documents](https://leg.colorado.gov/content/budget/budget-documents) to use the budget document search tool. Select this department's name under Department/Topic, "Briefing" under Type, and select a Start date and End date to show documents released in November and December of 2025.