



Joint Budget Committee

Staff Budget Briefing FY 2026-27

Department of the Treasury

Prepared by:

Sam Rickman, JBC Staff

November 14, 2025

Joint Budget Committee Staff

200 E. 14th Avenue, 3rd Floor

Denver, Colorado 80203

Telephone: (303) 866-2061

leg.colorado.gov/agencies/joint-budget-committee

Contents

- Overview of Department.....1
- Recent Appropriations.....2
- Graphic Overview3
- Cash Funds Detail5
- General Factors Driving the Budget6
- Summary of Request10
- Issue Brief: Budget Reduction Options.....13
- Recommendations..... 14
- Informational Brief: Unclaimed Property16
- Footnotes and Requests for Information22
- Update on Long Bill Footnotes 22
- Update on Long Bill Requests for Information 22
- Department Annual Performance Report25
- Appendix A: Numbers Pages A-1
- Appendix B: Special Programs Granular Data B-1

Additional Resources

To find the online version of the briefing document search the General Assembly’s website for [budget documents](http://leg.colorado.gov/content/budget/budget-documents) (leg.colorado.gov/content/budget/budget-documents).

Overview of Department

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.

Administration

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.

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. Statute¹ 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.

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.

¹ Section 38-13-801.5, C.R.S

Recent Appropriations

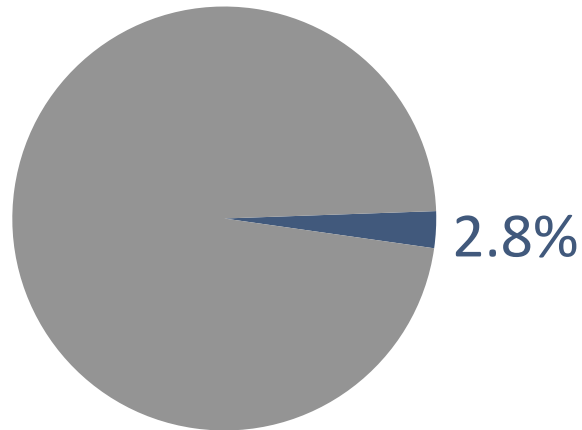
Department of the Treasury

| Funding Source | FY 2023-24 | FY 2024-25 | FY 2025-26 | FY 2026-27 [1] |
|----------------------------|----------------------|----------------------|----------------------|------------------------|
| General Fund | \$313,799,459 | \$466,347,038 | \$468,270,969 | \$481,442,537 |
| Cash Funds | 436,780,358 | 404,002,146 | 412,726,288 | 510,107,721 |
| Reappropriated Funds | 31,067,969 | 81,818,953 | 82,542,698 | 83,329,935 |
| Federal Funds | 0 | | 0 | 0 |
| Total Funds | \$781,647,786 | \$952,168,137 | \$963,539,955 | \$1,074,880,193 |
| Full Time Equivalent Staff | 56.0 | 62.0 | 64.0 | 71.0 |

[1] Requested appropriation.

Graphic Overview

Department's Share of Statewide General Fund



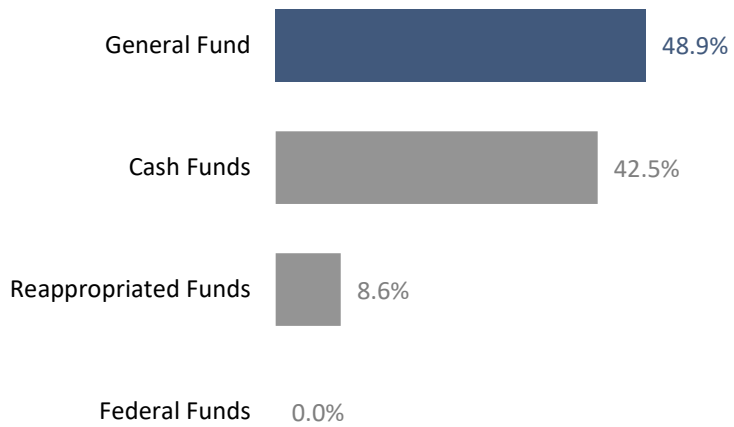
Based on the FY 2025-26 appropriation.

Distribution of General Fund by Division



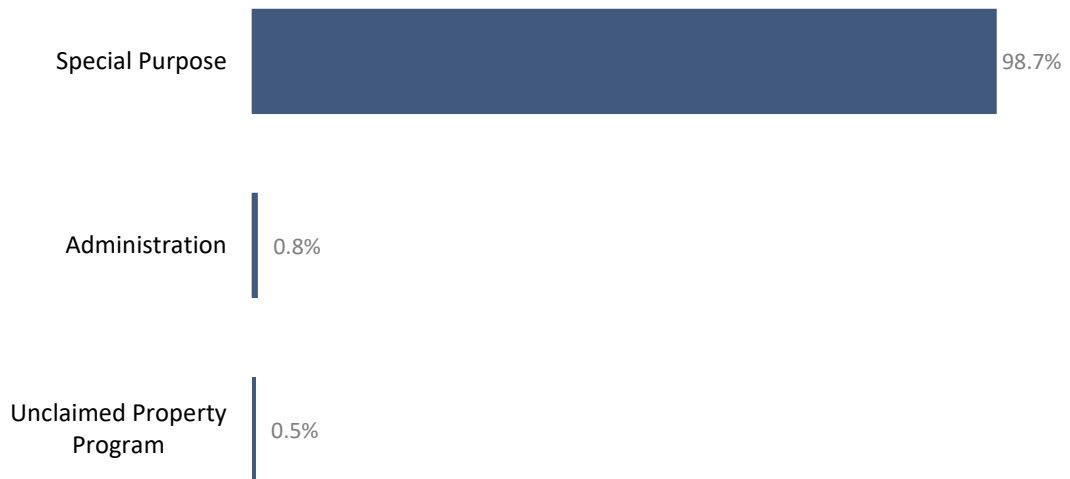
Based on the FY 2025-26 appropriation.

Department Funding Sources



Based on the FY 2025-26 appropriation.

Distribution of Total Funds by Division



Based on the FY 2025-26 appropriation.

Cash Funds Detail

Department of Treasury Cash Funds Detail

| Fund Name | FY 2025-26 Approp. | Note | Primary Revenue Sources | Primary Uses in Dept. |
|---|-----------------------|------|--|--|
| Highway Users Tax Fund | \$397,455,257 | [1] | Fines, license plate fees, driver's license fees, passenger-mile taxes, motor fuel taxes, vehicle registration fees, road safety surcharges, road usage fees, and retail delivery fees. Section 43-4-201 (1)(a), C.R.S. | Pass-through funding to counties and municipalities for transportation projects. |
| Various | 6,561,642 | | State Public Financing Cash Fund (\$229,961); Section 24-36-121(7)(a), C.R.S. Law Enforcement Officers' and Firefighters' WRD Fund (\$150,000) Charter School Financing Administrative Cash Fund (\$7,500); Section 22-30.5-406(1)(c)(I) | Various purposes as stipulated in statute. The State Public Financing Cash Fund is continuously appropriated pursuant to Section 24-36-121 (7)(a), C.R.S. |
| Unclaimed Property Trust Fund | 4,882,298 | [2] | Principal consists of money from sales and collection of unclaimed property; funds also include interest and investments, security custodian fees, and contract auditor revenues. Section 38-13-801 (1)(a), C.R.S. | Funds shown in this table are used to pay for administration of the unclaimed property program. The remainder of the fund is used to pay claims and for statutory transfers that are not reflected in the Long Bill. |
| Public School Fund Interest | 2,139,603 | | State Land Board rents and royalties; Public School Fund investment income. Section 22-54-114(1), C.R.S. | Funding for the Public School Fund Investment Board and legal services pertaining to the management of the fund. Section 22-41-102.5, C.R.S. |
| Cash Management Transaction Fees | 887,488 | | Assessed fees for eligible transactions performed by the treasurer on behalf of state departments and agencies. Deducted from the interest earnings attributable to the fund for which the transaction was performed. Section 24-36-120, C.R.S. | Operating costs. |
| Revenues Collected by Contract Auditors | 800,000 | [1] | Contract auditor revenues. Section 38-13-116.5(2)(b), C.R.S. | Revenues collected by contract auditor services are continuously appropriated to the administrator for the payment of contract auditor services. |
| Total | 412,726,288 | | | |

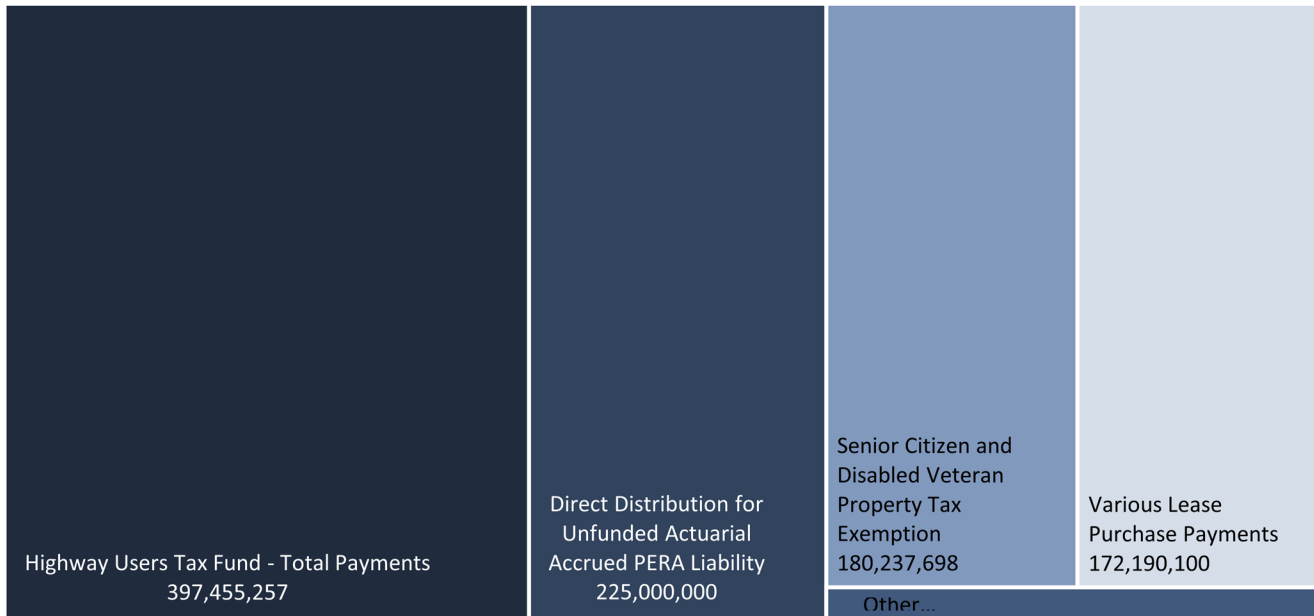
[1] Not appropriated by the General Assembly. Amounts shown in Long Bill are for informational purposes only.

[2] These amounts include only the portion of the Unclaimed Property Trust Fund which is appropriated to the Department for operations and is not TABOR exempt. The remainder of the Fund balance is TABOR exempt.

General Factors Driving the Budget

The largest factors driving the budget are special purpose pass-through funds. The Highway Users Tax Fund makes up the largest percentage of appropriations, followed by PERA Unfunded Liability repayments and the Homestead Tax Exemption.

Pass-Through Appropriations FY25-26



Highway Users Tax Fund Disbursements

The Department calculates, allocates, and distributes revenues from the Highway Users Tax Fund (HUTF). Formulas in statute determine how much counties and cities will receive. Funding for HUTF disbursements is informational. Actual amounts may differ from what’s shown in the Long Bill. See Appendix B for a comparison of actual disbursements compared to appropriations.

Direct Distribution to PERA for Unfunded Liability

Statute requires the State Treasurer to issue an annual warrant equal to \$225.0 million to the Colorado Public Employees Retirement Association. This shall be used to pay down the pension fund’s unfunded liability. In the past, the General Assembly has reduced or stopped the payment to address budget constraints.

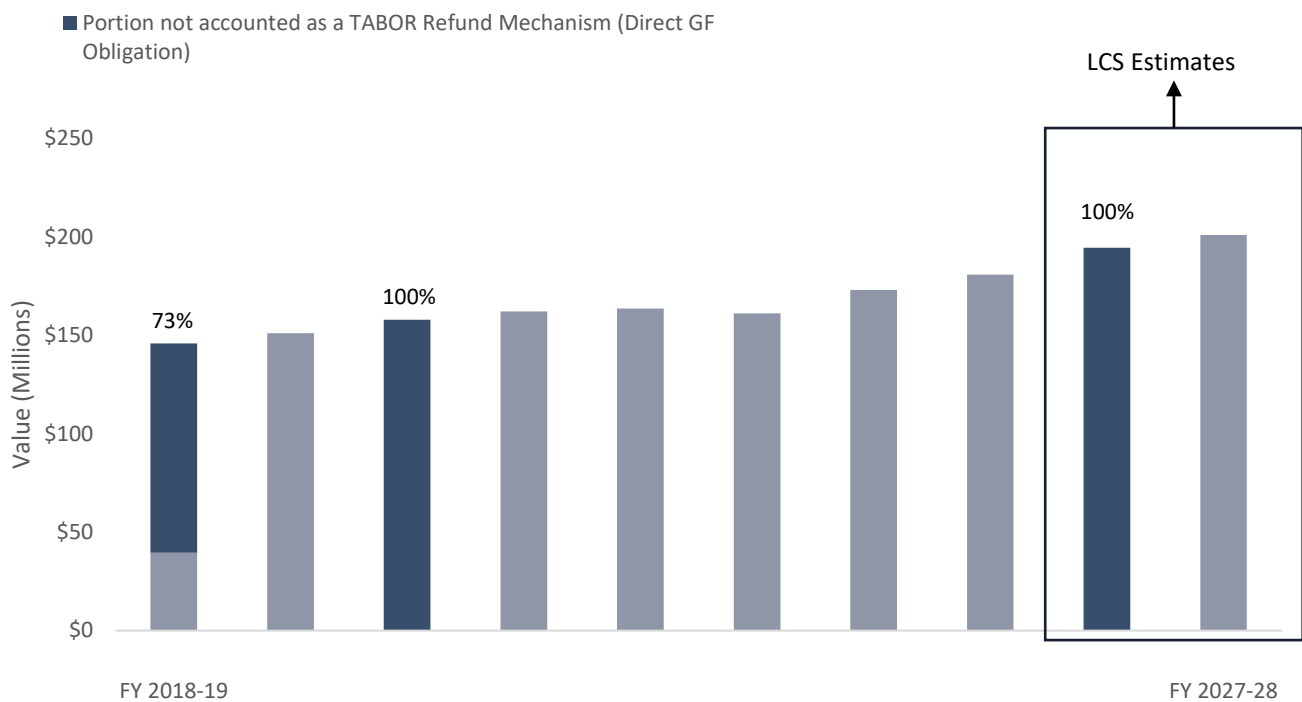
Senior Citizen & Disabled Veteran Property Tax Exemption (“Homestead Exemption”)

The Colorado Constitution grants a property tax exemption to qualifying senior citizens and disabled veterans.² The Department of Treasury uses state funds to reimburse the counties for the foregone revenue. The General Assembly shows the estimated cost of this benefit in the Long Bill for informational purposes only. LCS projects the cost at \$180 million in FY 2025-26, and \$198M in FY 2026-27.

Revenues below TABOR cap drive General Fund impact

The General Fund impact of the exemption depends on the State’s TABOR situation. Statute³ allows the exemption to count toward TABOR refund obligations, which have mostly fully covered the cost of the exemption in recent years. However, the exemption becomes a direct General Fund obligation when TABOR revenue does not exceed the Referendum C cap and there is no TABOR refund.

Historic General Fund Obligation of Homestead Exemption due to TABOR



LCS projects that TABOR revenue will fall \$215.0 million below the Referendum C cap in FY 2025-26. Falling below the cap in FY 2025-26 would mean that there would not be a TABOR refund in FY 2026-27. As a result, the General Fund would have to cover the estimated \$198.0 million Homestead Exemption in FY 2026-27. The General Assembly can temporarily suspend or reduce the exemption by lowering the maximum amount of actual value of residential real property that qualifies for the exemption. The issue brief on page 14 provides additional details.

² Section 3.5 of Article X

³ Section 39-3-209, C.R.S., as enacted in S.B. 17-267 (Concerning the Sustainability of Rural Colorado)

Lease Purchase Payments

Funding for debt service payments for Certificates of Participation and other financing mechanisms is appropriated to the Department. For example, the FY 2025-2026 Long Bill includes \$17.4 million cash funds for Lease Purchase of Academic Facilities⁴, and \$100 million General fund and \$50 million cash funds for Collateralization Lease Purchases. The Debt Management Unit oversees and administers some state financings to ensure the state meets its financial obligations. More detailed information can be found on page 24.

Administration Division

The administrative division is a small percentage of the total General Fund in Treasury’s budget. However, it has increased by 215.4% since FY 2018-19 (after adjustments for inflation) and total funding has increased 92.0% over the same period. Below is a chart which isolates this Division to show the growth of non-pass-through General Fund appropriations.

FY 2018-19 to FY 2025-26 Appropriations Comparison - Adjusted for Inflation

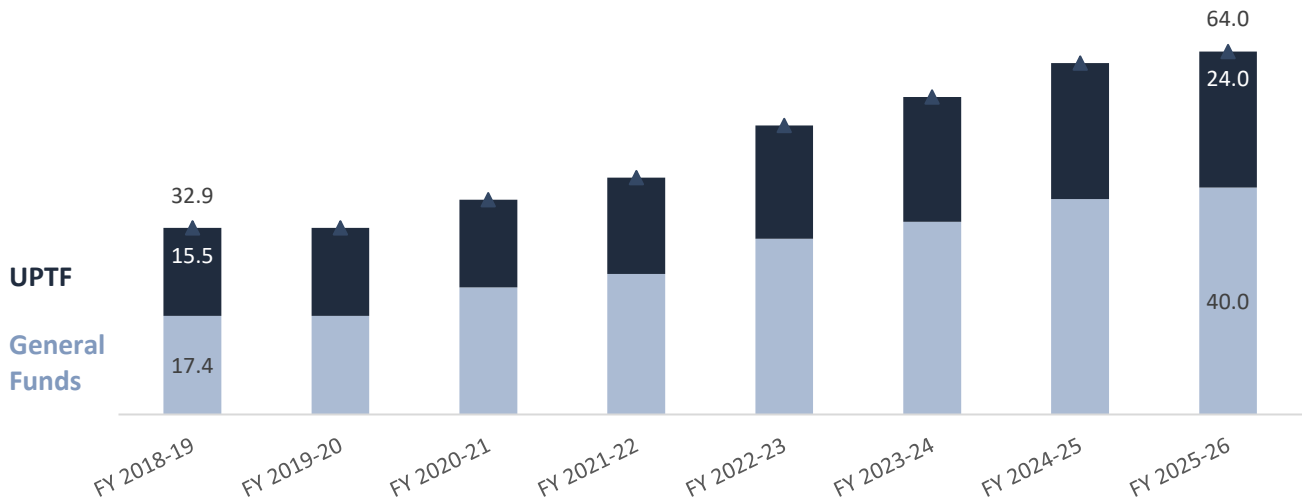
| Fund | FY 2018-19 Nominal | FY 2018-19 Adjusted | FY 2025-26 | \$ Change from FY 2018-19 Adjusted | % Change from FY 2018-19 Adjusted |
|--------------|-----------------------|------------------------|--------------|--|---|
| General Fund | \$1,324,888 | \$1,724,168 | \$5,437,343 | \$3,713,175 | 215.4% |
| Total Funds | \$4,983,592 | \$6,485,490 | \$12,451,374 | \$5,965,884 | 92.0% |

The primary drivers of General Fund increases are additional FTE and new technologies for program administration and efficiency. Prior to FY 2018-19, the Department’s staffing levels remained relatively flat for over a decade. However, workload for existing and new programs increased over the same time period.

Beginning in FY 2020-21, the Department began requesting FTE to address workload growth. On average, the Department has requested 6.0 FTE each year for the past five years to address staffing needs across both the Administrative and the Unclaimed Property Divisions. Staff in the Administration Division are largely supported with General Fund. The following chart demonstrates Department staffing trends and fund sources since FY 2018-19.

⁴ Pursuant to Section 23-19.9-102, C.R.S.

FTE in the Treasury Department - Recent Growth



During the decade in which Department FTE did not increase, demands on the Department increased with programs added to its supervision and due to the natural growth of the state. The Department has indicated that recent acceleration in FTE growth is a direct response to the years of failing to request the funding it needed to adequately support the staff for programs under its purview. The Department is requesting additional funding to support new FTE in FY 2026-27, and it has indicated that it is almost fully staffed to sufficiently meet all of its current demands.

Summary of Request

Department of Treasury

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|---|------------------------|----------------------|----------------------|---------------------|---------------|-------------|
| FY 2025-26 Appropriation | | | | | | |
| 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 |
| Total | \$963,539,955 | \$468,270,969 | \$412,726,288 | \$82,542,698 | \$0 | 64.0 |
| FY 2026-27 Requested Appropriation | | | | | | |
| 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 |
| Total | \$1,074,880,193 | \$481,442,537 | \$510,107,721 | \$83,329,935 | \$0 | 71.0 |
| 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% |

Changes are assumed to be ongoing unless otherwise noted.

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.

Employee compensation common policies: The request includes a net increase of \$559,345 for employee compensation common policies. A common policy refers to general policies applied consistently to all departments.

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 |
| Unfunded liability amortization payments | 54,164 | 23,173 | 30,991 | 0 | 0 | 0.0 |
| 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 |
| Total | \$559,345 | \$289,571 | \$269,774 | \$0 | \$0 | 0.0 |

Operating common policies: The request includes a net increase of \$903,718 for operating common policies.

Operating common policies

| Item | Total Funds | General Fund | Cash Funds | Reapprop. Funds | Federal Funds | FTE |
|---|------------------|------------------|------------------|-----------------|---------------|------------|
| State accounting system (CORE) | \$686,827 | \$309,071 | \$377,756 | \$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 |
| Risk management & property | -4,215 | -4,215 | 0 | 0 | 0 | 0.0 |
| Capitol Complex leased space | -3,892 | -2,321 | -1,571 | 0 | 0 | 0.0 |
| Total | \$903,718 | \$396,483 | \$507,235 | \$0 | \$0 | 0.0 |

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.

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 |
| Total | -\$9,532 | -\$5,790 | -\$3,742 | \$0 | \$0 | 0.0 |

Technical adjustments: The request includes a net increase of \$108.7 million for adjustments to the revenue forecast and the effect on informational costs. This technical adjustment primarily relates to the HUTF distributions and the Homestead Exemption.

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 |
| Total | \$108,727,118 | \$13,430,371 | \$95,296,747 | \$0 | \$0 | 0.0 |

Prior year actions: The request includes a net increase of \$210,730 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 |
| 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 |
| Total | \$210,730 | -\$939,067 | \$362,560 | \$787,237 | \$0 | 2.0 |

Issue Brief: Budget Reduction Options

While the Department of the Treasury’s request does not propose General Fund relief, there are options available to the General Assembly to reduce General Fund obligations in this department. These include modifying appropriations for property tax exemptions, decreasing administrative FTE, and considering transfers from the Unclaimed Property Fund. Each of these approaches provides a potential avenue for near-term budget relief, though they carry different trade-offs and long-term implications.⁵

Summary

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:
 - An increase in property tax bills for senior citizens and/or disabled veterans in tax year 2026.
 - 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:
 - Potential reductions in staff and administrative capacity, as personnel-related costs comprise most expenditures in this division.
 - 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.

Discussion

Funding History FY 2018-19 to FY 2025-26

Total General Fund in this section of the budget has decreased by 10.1 percent since FY 2018-19 after adjustments for inflation, and total funding has decreased by 9.1 percent. The majority of appropriations for the Department are pass-through funds. This limits direct interpretability of General Fund percentage changes and obscures the growth of the administrative functions of the Department.

⁵ Most FY 2026-27 briefing documents covering Executive Branch agencies include a section discussing the impact of the Governor’s August and October 2025 executive orders reducing funding for agency operations. As an independent agency, the Treasury is not required to comply with the Executive Order D 2025 014. However, the department indicated to staff that they have been following EO vacancy guidelines.

FY 2018-19 to FY 2025-26 Appropriations Comparison - Adjusted for Inflation

| Fund | FY 2018-19 Nominal | FY 2018-19 Adjusted | FY 2025-26 | \$ Change from FY 2018-19 Adjusted | % Change from FY 2018-19 Adjusted |
|--------------|-----------------------|------------------------|---------------|--|---|
| General Fund | \$400,353,177 | \$521,007,037 | \$468,270,969 | (\$52,736,068) | -10.1% |
| Total Funds | \$814,423,289 | \$1,059,864,862 | \$963,539,955 | (\$96,324,907) | -9.1% |

Recommendations

Expenditure Reductions

Reduce Reimbursement for Homestead Exemption

Description: This budget option would temporarily lower the maximum amount of actual value of residential real property that qualifies for the Homestead exemption to zero. Doing so would require legislation.

Additional Background: This option has been less relevant since the passage of Senate Bill 17-267, which designated the Homestead Exemption as the state’s first Taxpayer’s Bill of Rights (TABOR) refund mechanism. When the State is above the Referendum C cap, TABOR refunds pay for the exemption. However, when the state falls below the Referendum C cap, the General Fund must absorb the cost of the exemption in the following year because there is no refund available. With state revenue forecasted to fall below the Referendum C cap in FY 2025-26 and a projected structural budget deficit, the General Fund would need to pay the full cost of the exemption in FY 2026-27 (projected at \$190.0 million in the September 2025 OSPB revenue forecast). The General Assembly has sometimes reduced the senior Homestead Exemption benefit to zero in years of fiscal shortfall, including tax years 2003, 2004, 2005, 2009, 2010, and 2011⁶. The veteran property tax exemption has never been reduced to zero since its inception (passed by the voters in 2006 and first effective for tax year 2007). Appendix B provides more details.

Key Considerations: Reductions to this exemption would increase the property tax bill for senior citizens and/or disabled veterans for tax year 2026. The option would provide one-time General Fund savings and would return to its status as a TABOR refund mechanism in FY 2027-28 and FY 2028-29, when LCS projects state revenue to exceed the Referendum C cap.

Reduce Administrative Division Support

Description: This budget option would reduce General fund appropriations to the Administration Division by 5.0 percent (\$271,876). The amount is illustrative and could be scaled, although staff notes that any significant reduction would likely require reductions in staff.

Additional Background: The Administration Division’s General Fund appropriations have grown by 215.4 percent since FY 2018-19 after adjusting for inflation, compared to a 92.0 percent increase in total funding. Growth in this division has primarily been driven by additional FTE and investments in new administrative technologies. For over a decade prior to FY 2018-19, the Department’s staffing levels remained largely flat even

⁶ https://leg.colorado.gov/sites/default/files/r22-703_update_homestead_exemptions_memo-accessible_0.pdf
SB10-190, SB 09-276, SB 03-265

as workloads increased. Beginning in FY 2020-21, the Department began requesting additional FTE each year to address growing administrative demands.

Key Considerations: A 5.0 percent reduction to the Administration Division’s General Fund appropriation could likely only be achieved through staff reductions or elimination of positions, as personnel costs represent the majority of expenditures. While modest efficiencies in technology or overhead could offset small reductions, sustained cuts would likely impact administrative capacity, delay program support, and increase workload for remaining staff. Given that the Department is currently requesting additional FTE in FY 2026-27 based on increasing workload, a reduction may hinder its ability to meet workload demands and maintain timely support for program operations.

Revenue Enhancements

One-time Transfer from the UPTF

Description: The General Assembly could transfer additional funds from the Unclaimed Property Trust Fund (UPTF) to the General Fund to help with budget balancing. Staff has shown a transfer of \$32,141,846 as an illustration. That amount equates to 10.0 percent of the UPTF liability for 2025. The transfer amount could be scaled based on budget needs and risk tolerance.

Additional Background: The UPTF holds proceeds from unclaimed financial assets until they are claimed by their rightful owners. While the fund’s primary purpose is to safeguard these assets, the General Assembly has periodically authorized transfers of UPTF principal to support state programs and General Fund balancing. A more detailed discussion of the fund’s structure, historical uses, and potential policy options follows in the next section.

Key Considerations: The legislature has historically authorized the use of UPTF principal for various purposes, including transfers to the General Fund. However, it is important to note that this option only helps with General Fund balancing if the State is below the TABOR/Referendum C cap. As a result, if the March 2026 revenue forecast selected for balancing shows the State below the cap in FY 2025-26 then a transfer in the current year could assist with General Fund balancing. On the other hand, as discussed in the following issue brief, the General Assembly has increased draws from the UPTF in recent years and additional transfers may raise concerns about risk and the solvency of the fund.

Informational Brief: Unclaimed Property

The Unclaimed Property Program safeguards and returns lost or abandoned property to its rightful owners, which may include individuals, businesses, or public institutions. 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). Funds from the UPTF support the administration of the program, and interest earned is credited to the fund. Statute directs that interest earned in the UPTPTF flows to designated cash funds.

Summary

- The principal balance of the UPTF is growing, reflecting more unclaimed assets entering the fund than being returned to owners.
 - 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).
 - A model in this brief 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.

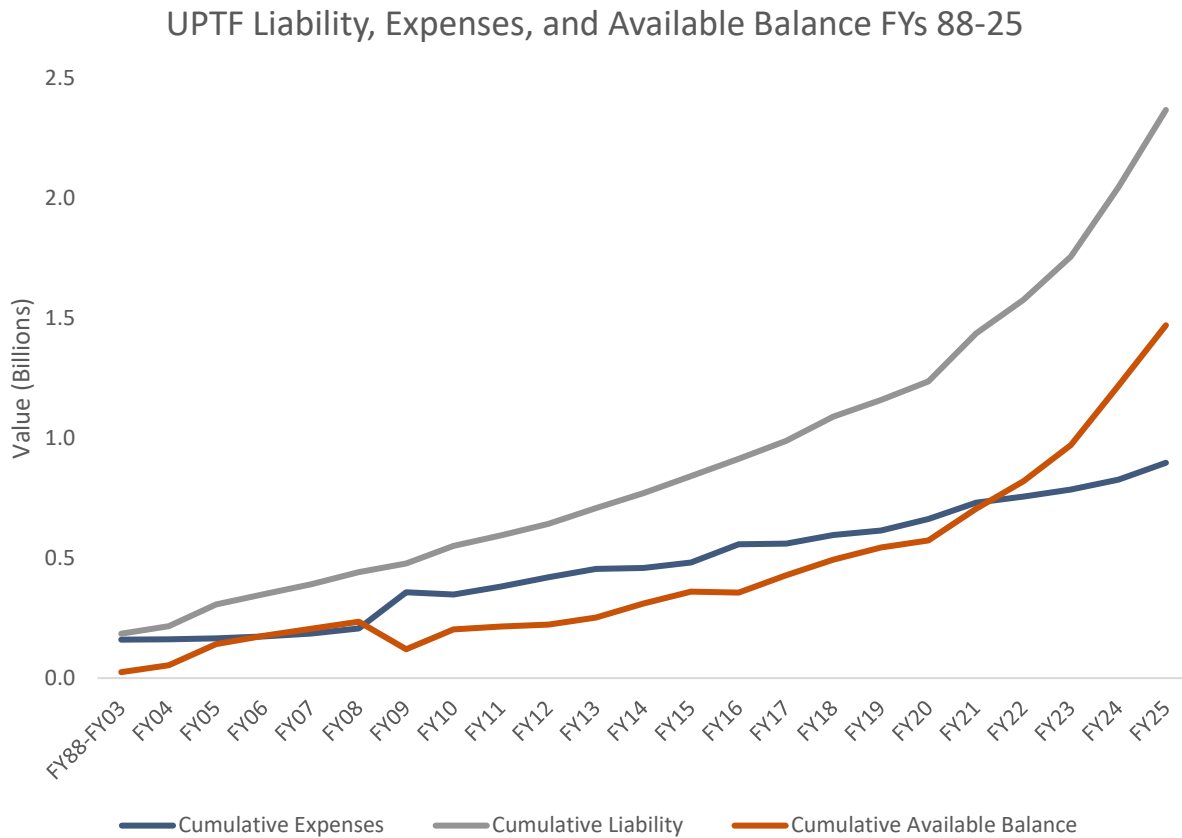
UPTF Overview

The UPTF was established by H.B. 87-1376 and later repealed and reenacted under S.B. 19-088, also known as the Revised Uniform Unclaimed Property Act (RUUPA). Operational costs of the UPTF are funded by a small portion of principal from the account, which amounted to a \$4,495,991 cash fund appropriation in FY 2025-26. Division staff—including administrators, accountants, auditors, technicians, supervisors, and the division director—have grown from 15.5 FTE in FY 2020-21 to 24.0 FTE in FY 2024-25 (a 58.4 percent increase). For the past five years, Treasury budget requests have included additional FTE for the Unclaimed Property Program, with the Department noting that extra staffing is needed to manage rising claims volume and expanded marketing efforts.

Claims Made, Claims Paid, and Balance Trends

Annual claims paid have increased by 172 percent between FY 2019-20 and FY 2024-2025, while revenue has grown even faster, rising by 318 percent in the same period. This growth is largely driven by RUUPA, which broadened the scope of reportable property, shortened the dormancy period from five years to three, and

eliminated local government exemptions. As a result, cumulative liability—the total amount that could eventually be claimed by property owners—has grown to nearly \$2.4 billion. The fund balance now stands at roughly \$1.5 billion, with the difference reflecting amounts withdrawn from the fund over time (see figure below).

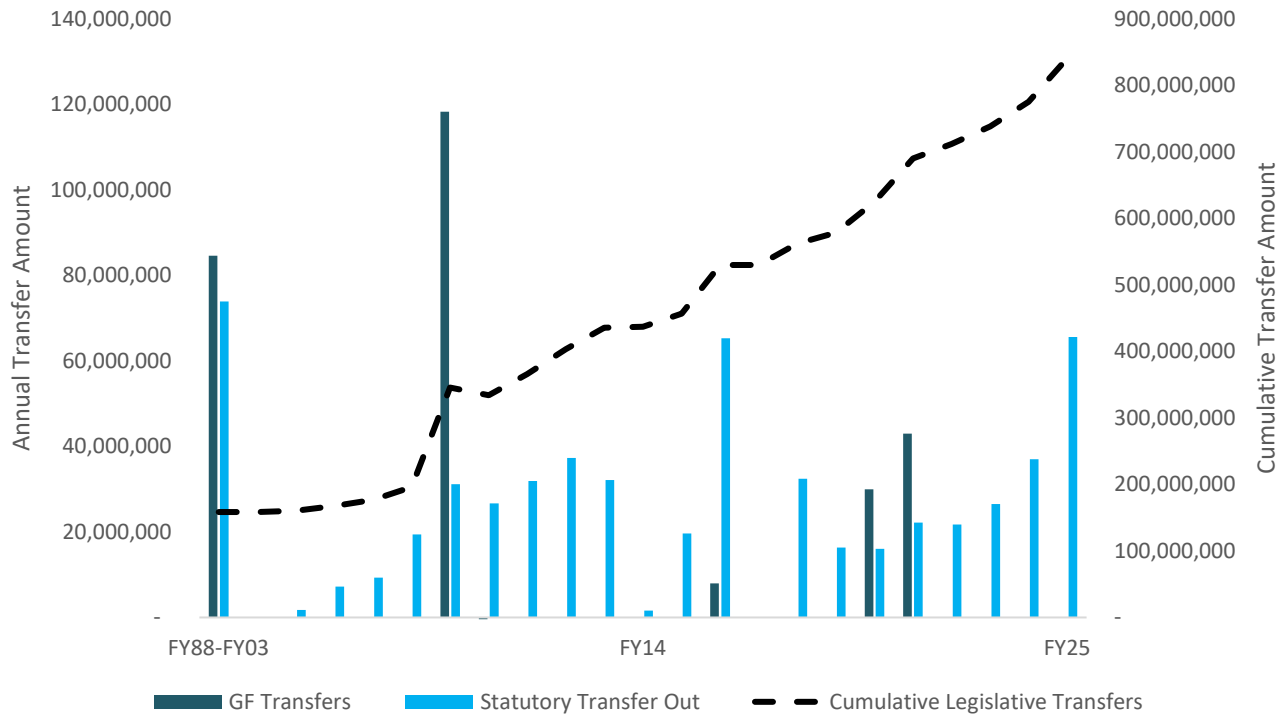


To keep pace, the Treasury Department has expanded efforts to return property to rightful owners by increasing FTE, enhancing marketing efforts, and implementing proactive check mailings. As a result, the average claim response time has dropped to just 10 days in FY 2025-26—80 days faster than the 90-day statutory requirement.

Recent Legislation Interaction with UPTF Principal

The Colorado General Assembly has passed legislation over the past 37 years that utilizes UPTF principal for various purposes. This has historically been a policy lever that can augment General Fund, though it poses long-term financial risks for the State. The following graph summarizes transfers out of the UPTF over the past decades.

Annual and cumulative legislative transfers out of UPTF



The General Assembly has tapped into the UPTF principal for multiple purposes in recent years.

- First, current statute provides *annual* transfers from the UPTF to support Adult Dental benefits in Medicaid (including \$65.6 million transferred in FY 2024-25 and \$73.9 million assumed for FY 2025-26). This is an ongoing use of funds from the UPTF and has been a major driver of transfers in recent years.
- Second, S.B. 25-290 (Stabilization Payments for Safety Net Providers) requires loans totaling \$90.0 million from the UPTF to the Department of Health Care Policy and Financing from FY 2025-26 through FY 2029-30. The bill requires the loans to be repaid to the UPTF by January 1, 2045.
 - The General Assembly considered this loan structure—temporary fund transfers with a long-term repayment schedule— for multiple policy areas during the 2025 session. The Department anticipates this approach will become an increasingly used policy tool in future years and has expressed concern about depleting the UPTF balance.
- Third, H.B. 19-1322 (Expand Supply Affordable Housing) automatically triggers a \$30 million transfer into the housing development grant fund from the UPTF when the state is 30 million or more below the TABOR cap. LCS projects that this transfer will take place on June 30, 2026.

Given those obligations, staff assumes that current law will remove at minimum \$128.9 million (\$73.9 million Adult Dental plus \$25 million in S.B. 25-290 plus 30 million H.B. 19-1322) in FY 25-26. While the UPTF balance continues to grow, continuing to add obligations for the UPTF principal could ultimately impact the Department’s ability to pay claims. Moreover, under current law⁷, if claims made under the Unclaimed Property Act exceed the balance in the UPTF, the State Treasurer must transfer from the General Fund an amount

⁷ Section 38-13-801(2)(e), C.R.S.

necessary to pay those claims and notify the JBC. This backfill requirement ensures that the State remains liable for all valid claims, reinforcing that this is not merely a hypothetical risk but a statutory obligation.

Depleting UPTF principal also reduces the fund's interest and investment earnings, which in turn support program administration and statutory transfers. This may have downstream impacts on programs or cash funds that rely on these revenue streams.

Potential Legislation: Time Limit in Fund

Given the increasing balance of the UPTF and challenges with returning long-unclaimed property to owners, staff suggests that the Committee may want to consider a question: Does it ever become appropriate to presume that unclaimed property has been permanently abandoned—and that its value should be used to support state programs? If so, after how much time and what level of good-faith effort to return the property to its rightful owner? This policy question has surfaced periodically in Colorado and has been addressed in various ways by other states:

- New Mexico: Once property is presumed abandoned under the state's dormancy period, it is placed in state custody and subject to revert to the general fund if the owner does not establish a claim within the statutory timeframe.⁸
- New Hampshire: If no claim is made within 36 months, unclaimed property is transferred to county treasurers or the general fund. The state may retain a portion (15%) to cover administrative and legal costs associated with escheatment and reimbursement.⁹
- Louisiana: Unclaimed U.S. savings bonds revert to the state three years after becoming unclaimed. If no claim is filed, the state initiates a civil action to obtain full legal ownership. Once the court grants escheatment, the state redeems the bonds and deposits proceeds into state accounts.¹⁰
- Maine: U.S. savings bonds are presumed abandoned after three years of inactivity and revert to the state three years later, following a court process. After redeeming the bonds, the state deposits proceeds into its Unclaimed Property Fund, retaining the ability to pay valid claims later, even after escheatment.¹¹

The following graphs illustrate a model projecting Colorado state revenue under hypothetical statutes that deem unclaimed property abandoned after 30, 20, 10, and 5 years. The model estimates the potential impact on the General Fund under two scenarios: one that incorporates cumulative administrative costs, statutory transfers, and interest earnings, and another that excludes these factors. Negative numbers indicate that legislative withdrawals for the year in question exceed the amount that would automatically transfer out.

As shown, staff anticipates a significant initial revenue increase following implementation, followed by stabilization after several years. The projections are based on actual UPTF data, including historical statutory transfers. Staff adjusted the projected amounts expected to revert to the General Fund using actual historical transfer and interest patterns for each year, paired with estimates of the share of property likely to remain unclaimed over time.

⁸ [New Mexico Statutes Chapter 7 Article 8A Section 7-8A-10.1](#)

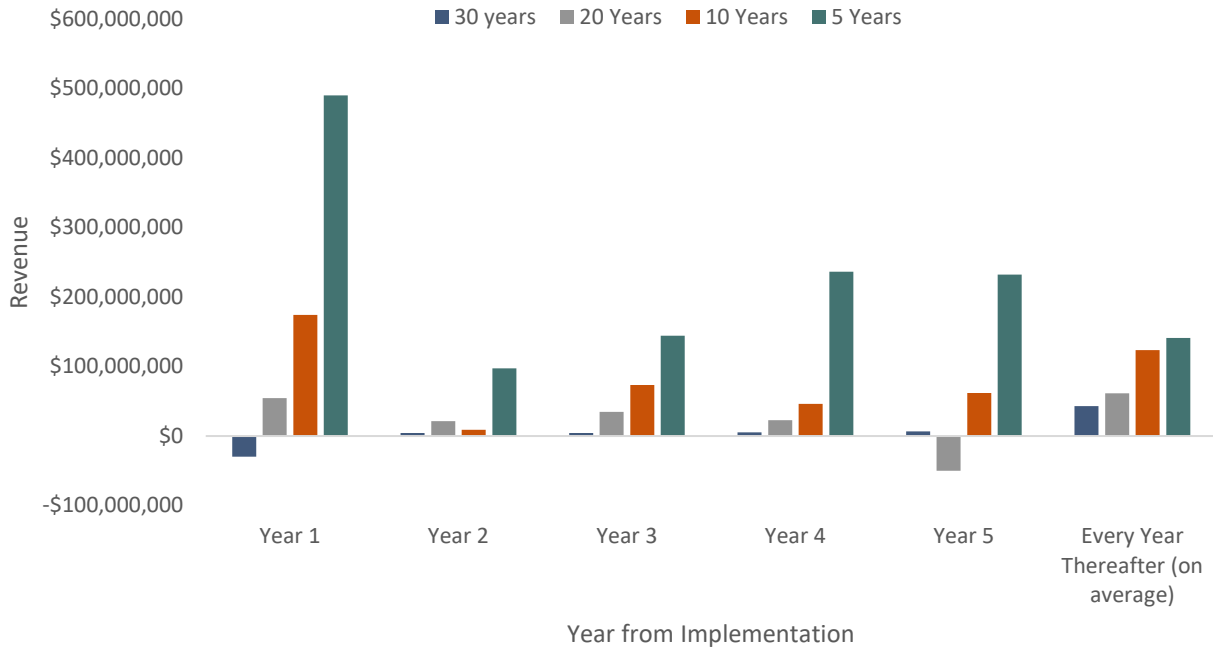
⁹ [New Hampshire Revised Statutes Title XLVI Chapter 471 Section C:30](#)

¹⁰ [Louisiana Revised Statutes Title 9 SS 182](#)

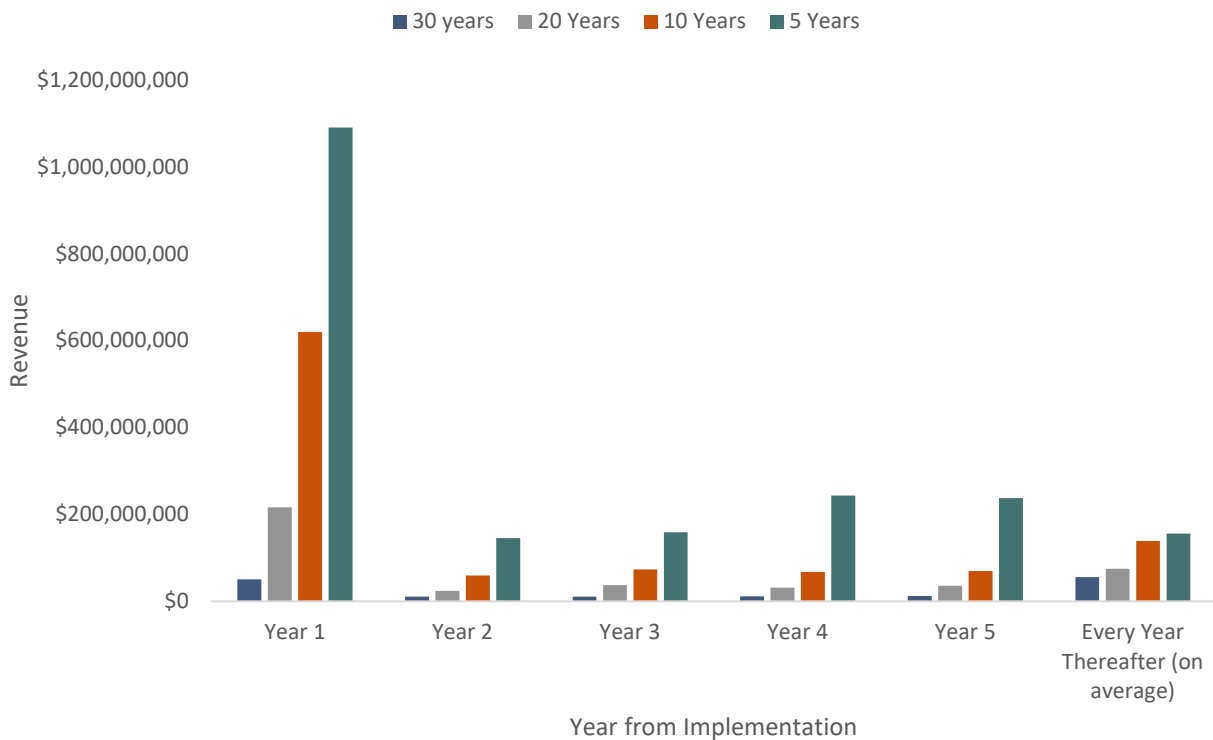
¹¹ [Maine Revised Statutes Title 43 Chapter 45 Subsection 2072](#)

Model: Reversion to GF of “abandoned” UPTF to GF after 30 years, 20 years, 10 years, 5 years

Adjusted for statutory withdrawals and interest



Not adjusted for statutory withdrawals and accrued interest



Risks: Legal Issues and Unfunded Liability, and TABOR

Adopting a policy that allows the state to revert UPTF assets to the General Fund after a set period, continuing to transfer UPTF principal to fund programs such as Adult Dental, or creating loan transfers (like S.B. 25-290), carries risks. Property owners may challenge the state’s use of unclaimed assets as a violation of their constitutional rights under the Fifth Amendment Takings Clause. This issue is currently being tested in federal court in *Knellinger v. Young*¹². A central element of the plaintiffs’ argument is that Colorado’s use of unclaimed property funds for “public purposes” constitutes an unconstitutional taking. The complaint specifically cites instances in which the General Assembly directed transfers of money out of the UPTF to support state programs. These risks would continue to grow if large portions of UPTF principal were reallocated for other purposes.

A second key risk is financial and operational: if the volume of claims exceeds the assets in the fund, the State may be unable to pay property owners in full, statutorily requiring General Fund backfills. This scenario could result from unexpected surges in claims or from accelerating escheatment under a shortened dormancy period.

Money gathered and held in the UPTF is excluded from the definition of “fiscal year spending” for TABOR purposes, while any money transferred out of the UPTF and into state accounts becomes subject to TABOR limits. Accordingly, transfers from the UPTF would not provide budgetary relief equal to the total amount transferred, but only up to the amount that the state is under the Referendum C cap—an amount that could easily be zero in many years. While S.B. 25-290 attempted to navigate this constraint by structuring a loan from the UPTF rather than a transfer, the long-term TABOR treatment of such arrangements remains uncertain and may yet be tested in state courts.

These risks highlight the importance of carefully considering statutory time limits for presuming property abandoned, balancing the potential fiscal benefits of transferring assets to the General Fund with the legal and financial exposure associated with owners’ claims.

¹²

https://www.ca10.uscourts.gov/opinion/search?combine=Knellinger%2C+et+al.+v.+Young%2C+et+al.&parties=&judges=&field_opinion_date_value%5Bmin%5D%5Bdate%5D=04%2F11%2F2025&field_opinion_date_value%5Bmax%5D%5Bdate%5D=04%2F11%2F2025&exclude=

Footnotes and Requests for Information

Update on Long Bill Footnotes

The General Assembly includes footnotes in the Long Bill to:

1. set forth purposes, conditions, or limitations;
2. explain assumptions; or
3. express legislative intent.

The Treasury had no footnotes in the FY 2025-26 Long Bill.

Update on Long Bill Requests for Information

The Joint Budget Committee may submit requests for information (RFIs) to departments. The Joint Budget Committee must prioritize the requests per Section 2-3-203 (3), C.R.S.

This section discusses a subset of the RFIs relevant to the divisions covered in the briefing. For a full list of RFIs, see the [letters requesting information](https://leg.colorado.gov/sites/default/files/rfi_fy_2025-26.pdf) (https://leg.colorado.gov/sites/default/files/rfi_fy_2025-26.pdf).

Requests Affecting Multiple Departments

- 1 All Departments -- The Departments are requested to provide by November 1 of each fiscal year Schedule 9 reports for every annually and continuously appropriated cash fund administered by the Department as part of the standard November 1 budget submission. The Office of State Planning and Budgeting, in coordination with the Office of the State Controller, the Department of the Treasury, and the independent agencies, is further requested to provide by November 1 of each fiscal year a consolidated report that includes the following information for all continuously appropriated cash funds:
 - The name of the fund;
 - The statutory citation for the fund;
 - The year the fund was created;
 - The department responsible for administering the fund;
 - The total cash balance as of July 1, 2024;
 - The unobligated cash balance as of July 1, 2024; and
 - The unencumbered cash balance as of July 1, 2024.

Comment: All departments were asked to provide information for the 2025-26 fiscal year. The Department included its response as part of the budget submission.

Department of The Treasury

- 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.

Comment: The Department submitted this report with its budget submission. The full report can be viewed on page 145 in the document found at the link below.

<https://drive.google.com/file/d/1WL4AN17Z9a-MA2y-TGgTRpXOUp0ajR4N/view>

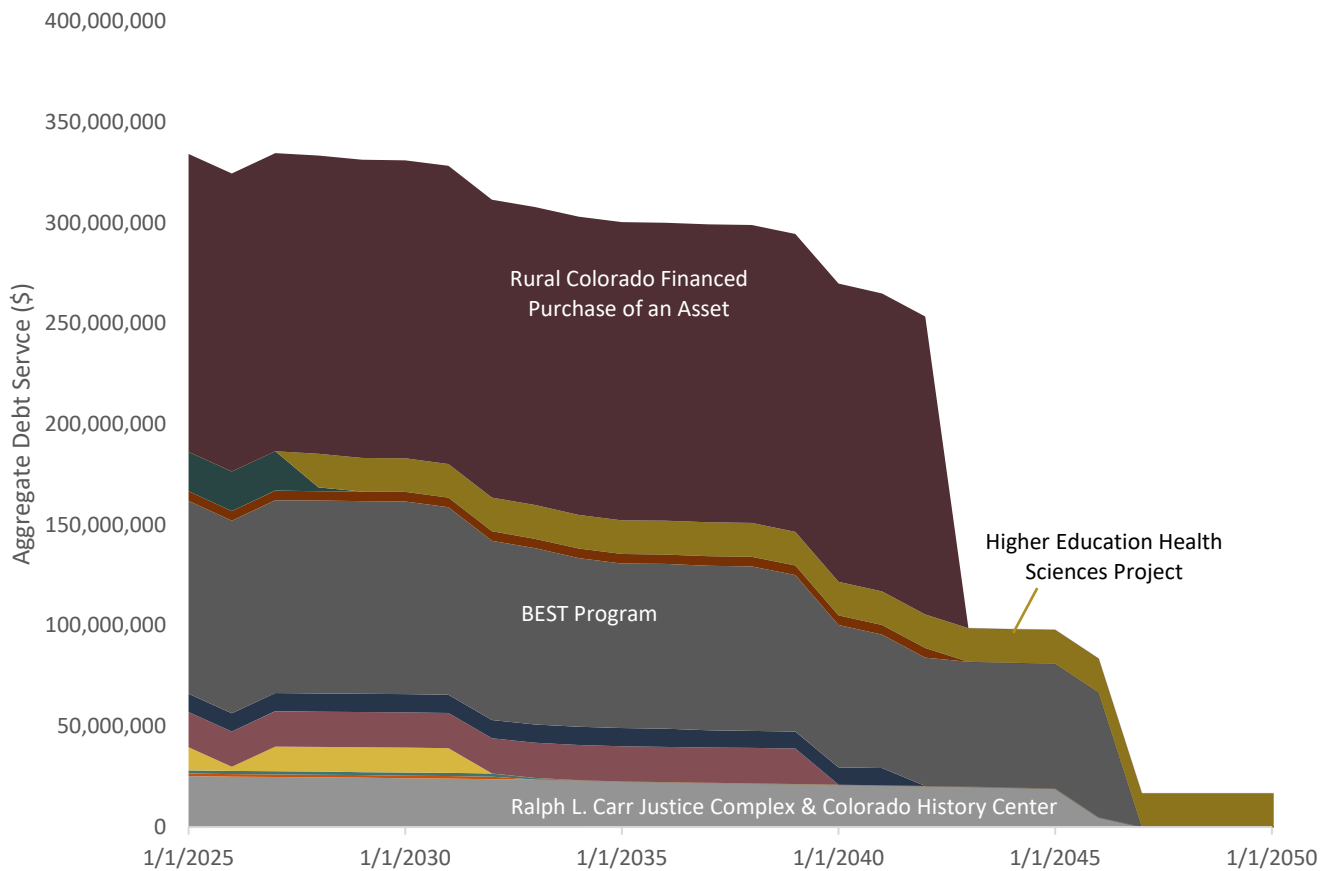
The Investment Unit of the Treasury manages approximately \$18 billion, across the Treasury operating fund (TPOOL), the UPTPTF, and the Public School Permanent Bond Fund (PSPF). Portfolio earnings and capital gains are distributed according to statute and formula. The majority of value is located in TPOOL, which currently contains \$17 million.

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 certificates of participation managed by the State Treasurer. 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

Comment: A high level overview of COP obligations is visualized in the graph below. For simplicity’s sake staff only included data labels for the largest COP Obligations in this chart. More detail can be found in the Department’s report submitted with its budget submission. The full report can be viewed on page 164 in the document found at the link below.

<https://drive.google.com/file/d/1WL4AN17Z9a-MA2y-TGgTRpXOUUp0ajR4N/view>

State of Colorado COP Obligations by Category



Department Annual Performance Report

Departments must publish an **Annual Performance Report**¹³ for the *previous state fiscal year* by November 1 of each year. This report summarizes the Department's performance plan and most recent performance evaluation. In addition, departments develop and submit a **Performance Plan**¹⁴ for the *current fiscal year* to the Joint Budget Committee and the relevant Joint Committee of Reference by July 1 of each year.

Per statute¹⁵, the Joint Budget Committee must consider performance plans submitted by departments and may prioritize budget requests intended to enhance productivity, improve efficiency, reduce costs, and eliminate waste. To find the performance plans, search the Office of State Planning and Budgeting website and select the [performance plan](http://www.colorado.gov/pacific/performancemanagement/department-performance-plans) (www.colorado.gov/pacific/performancemanagement/department-performance-plans).

¹³ Section 2-7-205, C.R.S.

¹⁴ Section 2-7-204 (3)(a), C.R.S.

¹⁵ Section 2-7-204 (6), C.R.S.

Appendix A: Numbers Pages

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

Appendix A: Numbers Pages

| | FY 2023-24 Actual | FY 2024-25 Actual | FY 2025-26 Appropriation | FY 2026-27 Request | Request vs. Appropriation |
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|

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>4,586,893</u> | <u>5,176,105</u> * |
| FTE | 35.0 | 38.0 | 40.0 | 44.0 |
| General Fund | 2,708,053 | 3,341,573 | 3,081,766 | 3,060,346 |
| Cash Funds | 1,105,492 | 1,106,358 | 1,505,127 | 2,115,759 |
| Reappropriated Funds | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 |
| Health, Life, and Dental | <u>503,429</u> | <u>613,685</u> | <u>744,662</u> | <u>1,158,991</u> * |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 |
| General Fund | 318,303 | 370,943 | 446,698 | 629,352 |
| Cash Funds | 185,126 | 242,742 | 297,964 | 529,638 |
| Reappropriated Funds | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 1 |
| Short-term Disability | <u>5,665</u> | <u>6,015</u> | <u>3,654</u> | <u>4,276</u> * |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 |
| General Fund | 3,845 | 3,820 | 2,398 | 2,658 |
| Cash Funds | 1,820 | 2,195 | 1,256 | 1,618 |
| Reappropriated Funds | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 |

Appendix A: Numbers Pages

| | FY 2023-24 Actual | FY 2024-25 Actual | FY 2025-26 Appropriation | FY 2026-27 Request | Request vs. Appropriation |
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| Paid Family and Medical Leave Insurance | <u>0</u> | <u>0</u> | <u>23,490</u> | <u>27,489</u> * | |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 | |
| General Fund | 0 | 0 | 15,416 | 17,089 | |
| Cash Funds | 0 | 0 | 8,074 | 10,400 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| Salary Survey | <u>285,111</u> | <u>153,814</u> | <u>142,960</u> | <u>195,813</u> | |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 | |
| General Fund | 188,824 | 100,411 | 93,523 | 124,272 | |
| Cash Funds | 96,287 | 53,403 | 49,437 | 71,541 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| Step Pay | <u>0</u> | <u>102,735</u> | <u>40,364</u> | <u>2,849</u> | |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 | |
| General Fund | 0 | 57,369 | 38,777 | 2,849 | |
| Cash Funds | 0 | 45,366 | 1,587 | 0 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 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> | |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 | |
| General Fund | 61,565 | 35,707 | 35,349 | 39,473 | |
| Cash Funds | 0 | 0 | 0 | 0 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |

Appendix A: Numbers Pages

| | FY 2023-24 Actual | FY 2024-25 Actual | FY 2025-26 Appropriation | FY 2026-27 Request | Request vs. Appropriation |
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| Operating Expenses | <u>1,879,035</u> | <u>2,410,446</u> | <u>1,026,177</u> | <u>1,029,003</u> | |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 | |
| General Fund | 1,879,035 | 2,410,446 | 950,277 | 890,543 | |
| Cash Funds | 0 | 0 | 75,900 | 138,460 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| Information Technology Asset Maintenance | <u>11,667</u> | <u>14,573</u> | <u>28,000</u> | <u>28,000</u> | |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 | |
| General Fund | 9,000 | 7,666 | 14,000 | 14,000 | |
| Cash Funds | 2,667 | 6,907 | 14,000 | 14,000 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| Legal Services | <u>440,154</u> | <u>122,197</u> | <u>152,159</u> | <u>307,352</u> | |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 | |
| General Fund | 124,629 | 35,437 | 47,393 | 95,730 | |
| Cash Funds | 315,525 | 86,760 | 104,766 | 211,622 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| Capitol Complex Leased Space | <u>61,119</u> | <u>62,530</u> | <u>70,019</u> | <u>66,127</u> | |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 | |
| General Fund | 36,444 | 37,285 | 41,750 | 39,429 | |
| Cash Funds | 24,675 | 25,245 | 28,269 | 26,698 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |

Appendix A: Numbers Pages

| | FY 2023-24 Actual | FY 2024-25 Actual | FY 2025-26 Appropriation | FY 2026-27 Request | Request vs. Appropriation |
|----------------------|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| Payments to OIT | <u>218,532</u> | <u>276,532</u> | <u>313,900</u> | <u>364,219</u> | * |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 | |
| General Fund | 139,570 | 164,866 | 190,344 | 220,857 | |
| Cash Funds | 78,962 | 111,666 | 123,556 | 143,362 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| CORE Operations | <u>434,192</u> | <u>185,258</u> | <u>165,485</u> | <u>852,312</u> | |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 | |
| General Fund | 195,386 | 83,366 | 74,468 | 383,539 | |
| Cash Funds | 238,806 | 101,892 | 91,017 | 468,773 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| CORE Payroll | <u>0</u> | <u>0</u> | <u>0</u> | <u>1,615</u> | * |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 | |
| General Fund | 0 | 0 | 0 | 969 | |
| Cash Funds | 0 | 0 | 0 | 646 | |
| Discretionary Fund | <u>2,492</u> | <u>256</u> | <u>5,000</u> | <u>5,000</u> | |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 | |
| General Fund | 2,492 | 256 | 5,000 | 5,000 | |
| Cash Funds | 0 | 0 | 0 | 0 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |

Appendix A: Numbers Pages

| | FY 2023-24 Actual | FY 2024-25 Actual | FY 2025-26 Appropriation | FY 2026-27 Request | Request vs. Appropriation |
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| Unfunded Liability Amortization Equalization | | | | | |
| Disbursement Payments | <u>0</u> | <u>399,430</u> | <u>521,995</u> | <u>610,859</u> * | |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 | |
| General Fund | 0 | 249,889 | 342,578 | 379,751 | |
| Cash Funds | 0 | 149,541 | 179,417 | 231,108 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| S.B. 04-257 Amortization Equalization Disbursement | <u>190,832</u> | <u>0</u> | <u>0</u> | <u>0</u> | |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 | |
| General Fund | 129,981 | 0 | 0 | 0 | |
| Cash Funds | 60,851 | 0 | 0 | 0 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 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> | |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 | |
| General Fund | 129,981 | 0 | 0 | 0 | |
| Cash Funds | 60,851 | 0 | 0 | 0 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| PERA Direct Distribution | <u>9,550</u> | <u>75,527</u> | <u>87,776</u> | <u>94,391</u> | |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 | |
| General Fund | 6,310 | 49,137 | 57,606 | 59,920 | |
| Cash Funds | 3,240 | 26,390 | 30,170 | 34,471 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |

Appendix A: Numbers Pages

| | FY 2023-24 Actual | FY 2024-25 Actual | FY 2025-26 Appropriation | FY 2026-27 Request | Request vs. Appropriation |
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| Charter School Facilities Financing Services | <u>8,677</u> | <u>8,955</u> | <u>7,500</u> | <u>7,500</u> | |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 8,677 | 8,955 | 7,500 | 7,500 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| TOTAL - (1) Administration | 8,116,397 | 8,915,591 | 7,955,383 | 9,971,374 | 25.3% |
| FTE | <u>35.0</u> | <u>38.0</u> | <u>40.0</u> | <u>44.0</u> | <u>10.0%</u> |
| General Fund | 5,933,418 | 6,948,171 | 5,437,343 | 5,965,777 | 9.7% |
| Cash Funds | 2,182,979 | 1,967,420 | 2,518,040 | 4,005,596 | 59.1% |
| Reappropriated Funds | 0 | 0 | 0 | 0 | 0.0% |
| Federal Funds | 0 | 0 | 0 | 1 | 0.0% |

Appendix A: Numbers Pages

| | FY 2023-24 Actual | FY 2024-25 Actual | FY 2025-26 Appropriation | FY 2026-27 Request | Request vs. Appropriation |
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|

(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> * |
| FTE | 22.0 | 24.0 | 24.0 | 27.0 |
| General Fund | 0 | 0 | 0 | 0 |
| Cash Funds | 1,370,690 | 1,681,906 | 1,900,442 | 2,183,472 |
| Reappropriated Funds | 0 | 0 | 0 | 0 |
| Federal Funds | 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> * |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 |
| General Fund | 0 | 0 | 0 | 0 |
| Cash Funds | 806,224 | 1,088,162 | 1,595,549 | 1,909,649 |
| Reappropriated Funds | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 |
| Promotion and Correspondence | <u>194,061</u> | <u>147,061</u> | <u>200,000</u> | <u>200,000</u> |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 |
| General Fund | 0 | 0 | 0 | 0 |
| Cash Funds | 194,061 | 147,061 | 200,000 | 200,000 |
| Reappropriated Funds | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 |

Appendix A: Numbers Pages

| | FY 2023-24 Actual | FY 2024-25 Actual | FY 2025-26 Appropriation | FY 2026-27 Request | Request vs. Appropriation |
|---|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| Contract Auditor Services | <u>281,238</u> | <u>718,675</u> | <u>800,000</u> | <u>800,000</u> | |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 281,238 | 718,675 | 800,000 | 800,000 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| TOTAL - (2) Unclaimed Property Program | 2,652,213 | 3,635,804 | 4,495,991 | 5,093,121 | 13.3% |
| FTE | <u>22.0</u> | <u>24.0</u> | <u>24.0</u> | <u>27.0</u> | <u>12.5%</u> |
| General Fund | 0 | 0 | 0 | 0 | 0.0% |
| Cash Funds | 2,652,213 | 3,635,804 | 4,495,991 | 5,093,121 | 13.3% |
| Reappropriated Funds | 0 | 0 | 0 | 0 | 0.0% |
| Federal Funds | 0 | 0 | 0 | 0 | 0.0% |

Appendix A: Numbers Pages

| | FY 2023-24 Actual | FY 2024-25 Actual | FY 2025-26 Appropriation | FY 2026-27 Request | Request vs. Appropriation |
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
|--|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|

(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>192,976,474</u> |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 |
| General Fund | 161,582,103 | 173,103,226 | 180,237,698 | 192,976,474 |
| Cash Funds | 0 | 0 | 0 | 0 |
| Reappropriated Funds | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 |

Household Financial Recovery Program

| | | | | |
|----------------------|----------------|-------------------|----------|----------|
| FTE | <u>200,000</u> | <u>19,489,967</u> | <u>0</u> | <u>0</u> |
| General Fund | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash Funds | 200,000 | 19,489,967 | 0 | 0 |
| Reappropriated Funds | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 |

Business Personal Property Tax Exemption

| | | | | |
|----------------------|-------------------|-------------------|-------------------|-------------------|
| FTE | <u>16,505,463</u> | <u>19,489,967</u> | <u>17,948,526</u> | <u>18,640,121</u> |
| General Fund | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash Funds | 16,505,463 | 19,489,967 | 17,948,526 | 18,640,121 |
| Reappropriated Funds | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 |

Appendix A: Numbers Pages

| | FY 2023-24 Actual | FY 2024-25 Actual | FY 2025-26 Appropriation | FY 2026-27 Request | Request vs. Appropriation |
|---|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| Highway Users Tax Fund - County Payments | <u>231,508,887</u> | <u>244,709,052</u> | <u>213,053,162</u> | <u>261,510,930</u> | |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 231,508,887 | 244,709,052 | 213,053,162 | 261,510,930 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| Highway Users Tax Fund - Municipality Payments | <u>166,181,346</u> | <u>177,042,582</u> | <u>134,402,095</u> | <u>181,241,074</u> | |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 166,181,346 | 177,042,582 | 134,402,095 | 181,241,074 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 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> | |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 | |
| General Fund | 28,022 | 2,516 | 0 | 0 | |
| Cash Funds | 0 | 0 | 0 | 0 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 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> | |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 0 | 0 | 0 | 0 | |
| Reappropriated Funds | 17,432,169 | 17,437,100 | 17,437,100 | 17,437,100 | |
| Federal Funds | 0 | 0 | 0 | 0 | |

Appendix A: Numbers Pages

| | FY 2023-24 Actual | FY 2024-25 Actual | FY 2025-26 Appropriation | FY 2026-27 Request | Request vs. Appropriation |
|--|------------------------------|------------------------------|-------------------------------------|-------------------------------|--------------------------------------|
| 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> | |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 0 | 0 | 0 | 0 | |
| Reappropriated Funds | 4,754,875 | 4,750,459 | 4,753,000 | 4,753,000 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| 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> | |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 796,136 | 1,327,468 | 1,760,000 | 1,760,000 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 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> | |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 | |
| General Fund | 97,972,368 | 97,970,218 | 100,000,000 | 100,000,000 | |
| Cash Funds | 547,261,586 | 333,786,970 | 50,000,000 | 50,000,000 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |

Appendix A: Numbers Pages

| | FY 2023-24 Actual | FY 2024-25 Actual | FY 2025-26 Appropriation | FY 2026-27 Request | Request vs. Appropriation |
|---|------------------------------|------------------------------|-------------------------------------|-------------------------------|--------------------------------------|
| 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> | |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 | |
| General Fund | 36,119,075 | 165,957,118 | 164,647,402 | 163,860,165 | |
| Cash Funds | 4,561,045 | 0 | 0 | 0 | |
| Reappropriated Funds | 8,880,925 | 59,042,882 | 60,352,598 | 61,139,835 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| Payment to the Colorado Housing and Finance Authority | <u>0</u> | <u>200,000</u> | <u>0</u> | <u>0</u> | |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 | |
| General Fund | 0 | 200,000 | 0 | 0 | |
| Cash Funds | 0 | 0 | 0 | 0 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 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>150,000</u> | |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 | |
| General Fund | 0 | 0 | 0 | 0 | |
| Cash Funds | 0 | 150,000 | 150,000 | 150,000 | |
| Reappropriated Funds | 0 | 0 | 0 | 0 | |
| Federal Funds | 0 | 0 | 0 | 0 | |
| Tax credit sales proceeds | <u>0</u> | <u>0</u> | <u>6,347,000</u> | <u>6,347,000</u> | |
| FTE | 0.0 | 0.0 | 0.0 | 0.0 | |
| Cash Funds | 0 | 0 | 6,347,000 | 6,347,000 | |

Appendix A: Numbers Pages

| | FY 2023-24 Actual | FY 2024-25 Actual | FY 2025-26 Appropriation | FY 2026-27 Request | Request vs. Appropriation |
|---|----------------------|----------------------|-----------------------------|-----------------------|------------------------------|
| TOTAL - (3) Special Purpose | 1,293,784,000 | 1,314,459,525 | 951,088,581 | 1,059,815,699 | 11.4% |
| <i>FTE</i> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0%</u> |
| General Fund | 312,407,031 | 476,213,012 | 462,833,626 | 475,476,760 | 2.7% |
| Cash Funds | 950,309,000 | 757,016,072 | 405,712,257 | 501,009,004 | 23.5% |
| Reappropriated Funds | 31,067,969 | 81,230,441 | 82,542,698 | 83,329,935 | 1.0% |
| Federal Funds | 0 | 0 | 0 | 0 | 0.0% |
| TOTAL - Department of the Treasury | 1,304,552,610 | 1,327,010,920 | 963,539,955 | 1,074,880,194 | 11.6% |
| <i>FTE</i> | <u>57.0</u> | <u>62.0</u> | <u>64.0</u> | <u>71.0</u> | <u>10.9%</u> |
| General Fund | 318,340,449 | 483,161,183 | 468,270,969 | 481,442,537 | 2.8% |
| Cash Funds | 955,144,192 | 762,619,296 | 412,726,288 | 510,107,721 | 23.6% |
| Reappropriated Funds | 31,067,969 | 81,230,441 | 82,542,698 | 83,329,935 | 1.0% |
| Federal Funds | 0 | 0 | 0 | 1 | 0.0% |

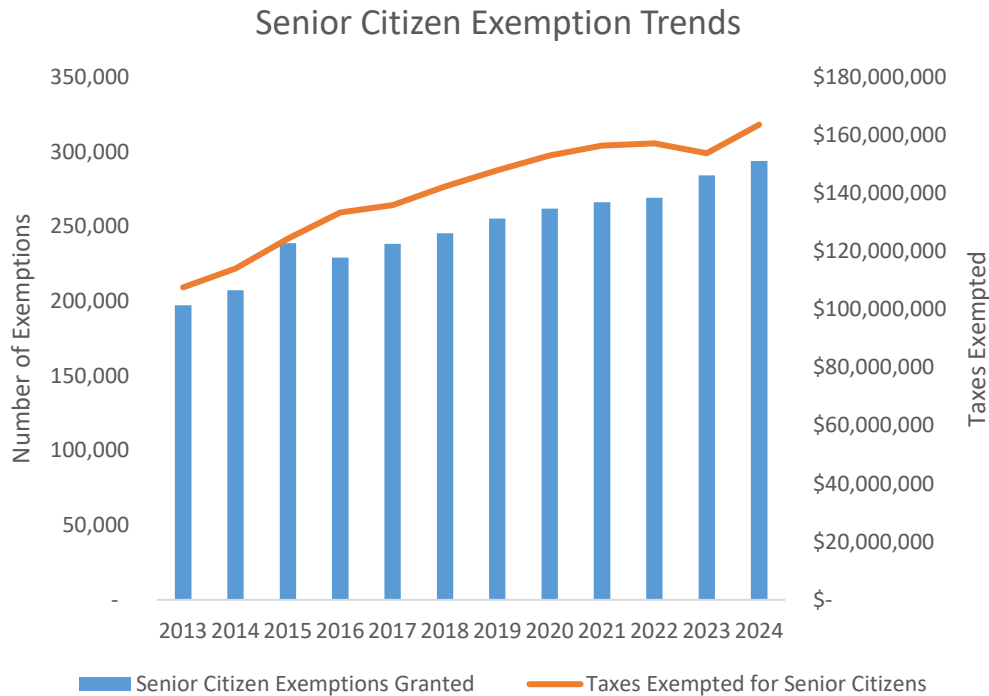
Appendix B: Special Programs Granular Data

Senior Citizen and Disabled Veteran Property Tax Exemption

Section 3.5 of Article X of the Colorado Constitution grants a property tax exemption to qualifying senior citizens and disabled veterans. A senior citizen is eligible for the property tax exemption if the property owner-occupier is at least 65 years of age on the assessment date and has occupied the residence for at least ten years, or is the surviving spouse of a person who previously qualified for the exemption.¹⁶ An honorably discharged disabled veteran is eligible for the property tax exemption if the owner-occupier has a 100.0 percent service-connected disability on the assessment date. Property tax is exempted on 50.0 percent of the first \$200,000 of actual property value for qualifying homeowners.

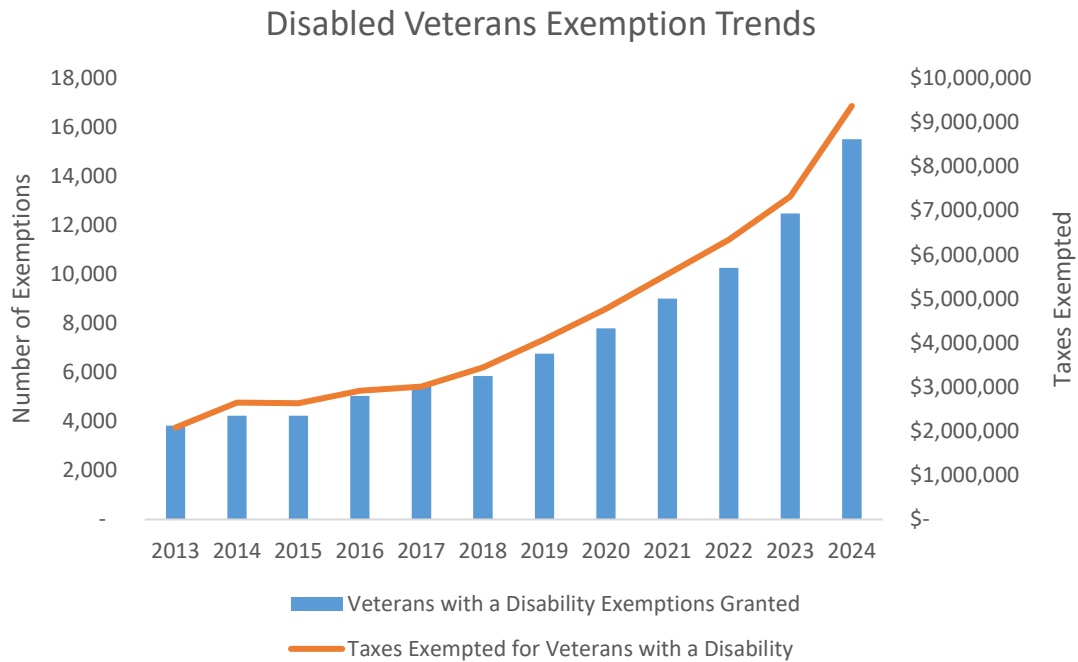
The State Treasurer reimburses local governments for the resulting foregone property tax revenue. The Constitution grants the General Assembly the power to raise or lower the amount of residence value that is exempt from taxation.

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



¹⁶ For the 2025 and 2026 tax years only, S.B. 24-111 allows individuals that previously qualified for the exemption to receive it if they no longer qualify after moving (effectively waiving the 10-year residency requirement for individuals that previously qualified).

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



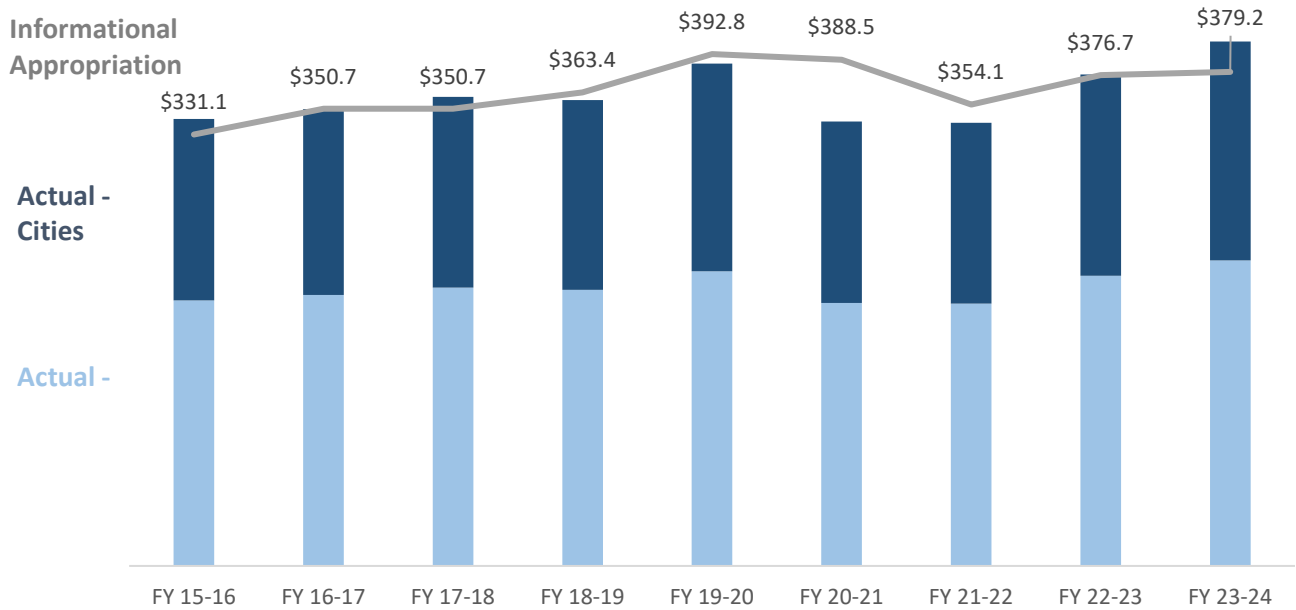
Source for Homestead Exemptions: Department of Local Affairs, Property Tax Division, *Fifty-fourth Annual Report to the General Assembly*.

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

Highway Users Tax Fund Disbursements

The Department calculates, allocates, and distributes revenues from the Highway Users Tax Fund (HUTF) pursuant to statutory formulas to counties and municipalities for use on local transportation projects. Amounts anticipated to be distributed are estimated based on OSPB’s revenue forecast and as aligned with statute and are reflected as cash funds appropriations within the Special Purpose section of the Long Bill for informational purposes. The below table reflects remittances of HUTF to counties and municipalities over time, which hold mostly steady. For more information regarding HUTF revenues and revenue distributions per statute, see the JBC Staff Briefing Document for the Department of Transportation. Amounts for FY 2024-25 are as of June 30th, 2024, and do not reflect projections for the most recent year.

Disbursements of HUTF have remained relatively stable and tracked closely with the informational appropriation made in the Long Bill.



Direct Distribution to PERA for the Unfunded Liability

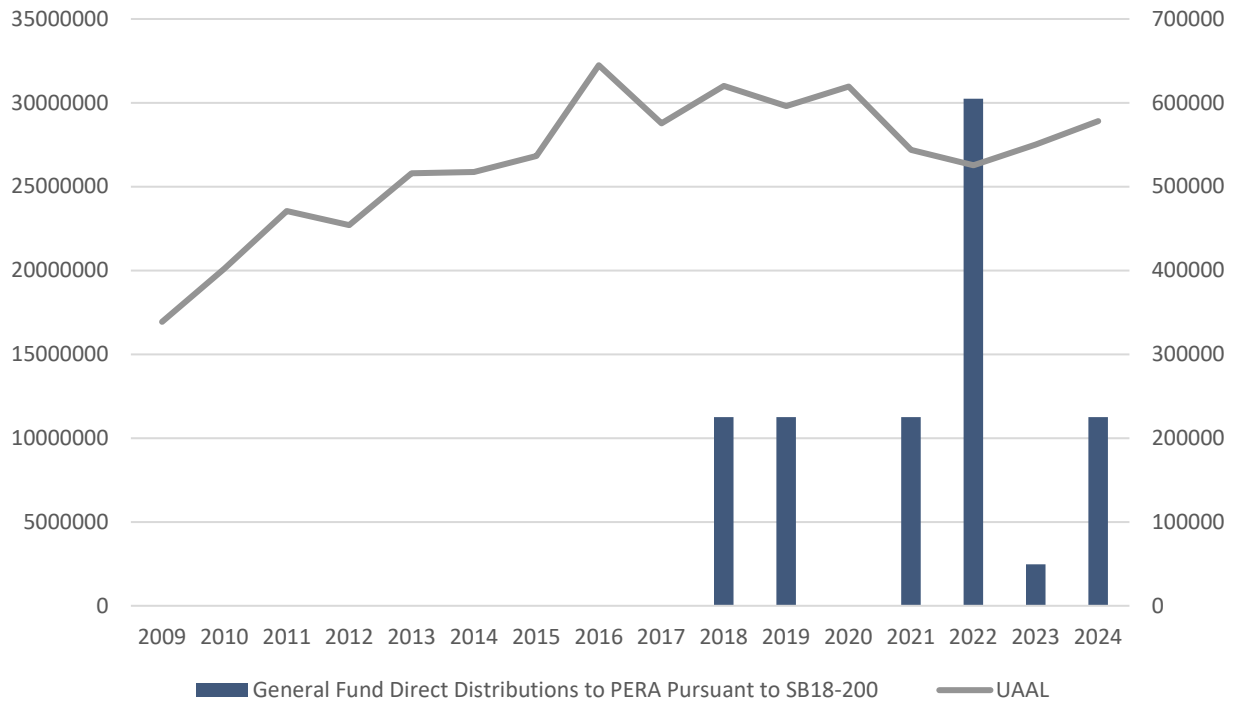
Statute¹⁷ requires the General Assembly to provide \$225.0 million each year to pay down the unfunded liabilities of the State, Judicial, School, and Denver Public Schools trust divisions of PERA. Since the original bill passed in 2018, the Legislature has occasionally considered reducing the PERA Unfunded Liability payment appropriation to address budget constraints. For example, HB20-1379 suspended the Long Bill appropriation for one year. Later, SB21-288 created the PERA Payment Cash Fund and transferred \$380.0 million from the General Fund to the new cash fund to cover the General Fund portion of the direct distribution payment. This transfer served as an upfront contribution to future PERA direct distribution payments. As a result, appropriations were reduced to \$35.0 million in FY 2023-24.

A reduction in the state’s payment toward the unfunded liability would slow progress toward full actuarial funding of the trust funds. The Pension Review Committee has also discussed options to **accelerate**, rather than delay, funding. In its Annual Comprehensive Financial Report (ACFR), PERA reported that its Unfunded Actuarial Accrued Liabilities (UAAL) increased by approximately \$1.39 billion from 2023 to 2024, surpassing the \$1.26 billion increase recorded from 2022 to 2023.¹⁸

¹⁷ C.R.S. 24-51-414

¹⁸ <https://content.copera.org/wp-content/uploads/2025/06/Annual-Comprehensive-Financial-Report.pdf> - page 170

Unfunded Actuarial Accrued Liabilities - PERA (Dollars in Thousands)



Special Programs, New Programs, and Expanded Programs

The Department administers, oversees, or facilitates multiple other programs which do not receive large appropriations but which drive workload including the following:

- The Colorado Secure Savings Program (S.B. 19-173),
- the Charter School Intercept and Moral Obligation Program,
- the K-12 School District Intercept Program,
- the Higher Education Intercept Program,
- the Colorado Household Financial Recovery Pilot Program (H.B. 22-1359);
- and the Continuation of Benefits Board (S.B. 18-247 and H.B. 23-1305).

A full accounting of the Treasurer’s responsibilities can be found in its FY 2026-27 budget request beginning on page 6. The full request can be found at this link: <https://drive.google.com/file/d/1WL4AN17Z9a-MA2y-TGgTRpXOUUp0ajR4N/view>