



## D 2025 014

### EXECUTIVE ORDER

#### **Declaring Insufficient Revenues Available for Expenditures Due to H.R. 1 and Ordering Suspension, in Whole or in Part, of Certain State Programs and Services in Order to Meet a Revenue Shortfall in Fiscal Year 2025-26**

Pursuant to the authority vested in the Governor of the State of Colorado and, in particular, pursuant to Article IV, Section 2 of the Colorado Constitution, and C.R.S. § 24-75-201.5, I, Jared Polis, Governor of the State of Colorado, hereby issue this Executive Order declaring that there are insufficient revenues available for expenditures due to President Trump signing H.R. 1 into law on July 4, 2025, and ordering the suspension, in whole or in part, of certain State programs or services in order to meet a revenue shortfall for Fiscal Year 2025-26 and balance the state budget.

#### **I. Background and Purpose**

On July 4, 2025, President of the United States Donald Trump signed H.R. 1 into law through the reconciliation process. H.R. 1 increases the federal budget deficit and is causing an immediate and significant negative impact to State revenue - reducing total State revenue by over \$1.2 billion in the current fiscal year, eliminating the State's surplus, and putting Colorado's budget roughly \$800 million out of balance in the current fiscal year, Fiscal Year 2025-26, and reducing revenue to the State by approximately \$700 million in Fiscal Year 2026-27 and Fiscal Year 2027-28.

While the General Assembly passed and I signed a balanced budget on April 28, 2025, for Fiscal Year 2025-26, because of the federal tax changes in H.R. 1 for the current year that were subsequently passed by Congress but retroactively applied, the State budget is no longer balanced for the current year, and there will no longer be Taxpayer's Bill of Rights (TABOR) surplus refunds to Colorado taxpayers. The State budget now faces a significant shortfall. The Office of State Planning and Budgeting (OSPB) projects that H.R. 1 has reduced State revenue by approximately \$1.2 billion this year, which includes over a \$1.0 billion reduction in General Fund and a nearly \$200 million reduction to the State Education Fund and Proposition 123 diversions for affordable housing. The General Fund revenue loss erases the near \$300 million surplus projected in June, resulting in a deficit this current fiscal year of \$783 million.

On August 6, 2025, I signed Executive Order D 2025 009, finding that extraordinary occasions exist to convene the Seventy-Fifth General Assembly to meet in Special Session to

address the fiscal crisis caused by H.R. 1. In the same Executive Order, I directed State agencies to implement a hiring freeze in order to reduce costs.

Pursuant to Executive Order D 2025 009, the General Assembly met in Special Session at the State Capitol beginning on August 21, 2025, and concluding on August 26, 2025. Just prior to signing this Executive Order D 2025 014, I signed Senate Bill 25B-001, Processes to Reduce Spending During Shortfall (SB 25B-001), which was passed by the General Assembly during Special Session. SB 25B-001 relocates what was formerly C.R.S. § 24-2-102(4) into C.R.S. § 24-75-201.5(1)(a). C.R.S. § 24-75-201.5 clarifies that the Governor may suspend or discontinue, in whole or in part, the functions or services of any department, board, bureau, or agency of the state government by Executive Order if the Governor determines that there are not, or will not be, sufficient revenues available for expenditure during the fiscal year to carry on the functions of State government and to support its agencies and institutions. Further, the Governor must promptly notify the Joint Budget Committee of the Executive Order.

Accordingly, pursuant to C.R.S. § 24-75-201.5(1)(a), I have determined “that there are not, or will not be, sufficient revenues available for expenditure during the fiscal year to carry on the functions of the state government and to support its agencies and institutions.” Therefore, by this Executive Order, I am suspending, in whole or in part, the functions and services of State government as detailed below to reduce expenditures before the end of Fiscal Year 2025-26.

Accompanying this Executive Order is a letter notifying the Joint Budget Committee, as well as the General Assembly, of this Executive Order and outlining the suspensions, in whole or in part, of certain State programs and services in this Executive Order, which satisfies the notice requirement in C.R.S. § 24-75-201.5. That letter also outlines \$146,711,985 in cash fund transfers to the General Fund and \$3,000,000 in additional savings that will be submitted to the Joint Budget Committee as Fiscal Year 2025-26 supplemental budget requests. In total, these transfers and savings amount to an additional \$149,711,985 in budget reductions for Fiscal Year 2025-26, which with the reductions below and the hiring freeze brings the total savings to \$252,205,360.

## **II. Directives**

- A. I declare that there are not, or will not be, sufficient revenues available for expenditure during the current fiscal year to carry on the functions of the state government and to support its agencies and institutions, and that suspending, in whole or in part, programs and services set forth in this Executive Order are necessary.

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- B. To satisfy the provisions of C.R.S. § 24-75-201.5(1)(b) requiring that “the governor shall promptly notify the Joint Budget Committee of an Executive Order issued by the Governor,” I direct that the Director of the Office of State Planning and Budgeting (OSPB) submit in writing to the Joint Budget Committee and members of the General Assembly the contents of this Executive Order for reducing expenditures.
- C. The following programs and services, totaling \$102,993,375 in General Fund and Cash Funds, are suspended, in whole or in part, for the duration of this Executive Order through the end of Fiscal Year 2025-26. Note \$500,000 for SBIRT is counted in this reduction and in transfers, so total savings from the below list is \$102,493,375.
1. Department of Corrections (DOC)
    - a. Three million six hundred eighty one thousand one hundred dollars (\$3,681,100) appropriated for Medical Services Subprogram, Transgender Healthcare from the General Fund is suspended and not available for expenditure.
  2. Department of Health Care Policy & Financing (HCPF)
    - a. Fifty four million nine hundred forty thousand eight hundred fifty six dollars (\$54,940,856) appropriated for Medical Services Premiums from the General Fund is suspended and not available for expenditure.
    - b. Two million five hundred thousand dollars (\$2,500,000) appropriated for Medical Services Premiums from the Adult Dental Fund is suspended and not available for expenditure.
    - c. Sixteen million one hundred twenty thousand eight hundred ten dollars (\$16,120,810) appropriated for Behavioral Health Capitation Payments from the General Fund is suspended and not available for expenditure.
    - d. One million four hundred fifty thousand two hundred seventy nine dollars (\$1,450,279) appropriated for Adult Comprehensive Services from the General Fund is suspended and not available for expenditure.

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- e. Three million dollars (\$3,000,000) appropriated for Children's Extensive Support Services from the General Fund is suspended and not available for expenditure.
  - f. Five hundred thousand dollars (\$500,000) appropriated for Screening, Brief Intervention, and Referral to Treatment Training Grant Program from the Marijuana Tax Cash Fund is suspended and not available for expenditure.
  - g. Five hundred thousand dollars (\$500,000) appropriated for Reproductive Health Care for Individuals Not Eligible for Medicaid from the General Fund is suspended and not available for expenditure.
  - h. One hundred thirty one thousand two hundred fifty dollars (\$131,250) appropriated for Health Benefits for Children Lacking Access Due to Immigration Status from the General Fund is suspended and not available for expenditure.
3. Department of Higher Education (CDHE)
- a. Seven million five hundred sixty nine thousand seven hundred forty seven dollars (\$7,569,747) appropriated for fee-for-service contracts with state institutions from the General Fund is suspended and not available for expenditure.
  - b. One million five hundred fifty thousand four hundred eighty one dollars (\$1,550,481) appropriated for fee-for-service contracts with state institutions for specialty education programs from the General Fund is suspended and not available for expenditure.
  - c. Three million two hundred twenty thousand one hundred eighty eight dollars (\$3,220,188) appropriated for limited purpose fee-for-service contracts with state institutions from the General Fund is suspended and not available for expenditure.
  - d. Ninety seven thousand eight hundred twenty dollars (\$97,820) appropriated for Colorado Mountain College from the General Fund is suspended and not available for expenditure.
  - e. One hundred sixteen thousand one hundred fifty one dollars (\$116,151) appropriated for Aims Community College from the General Fund is suspended and not available for expenditure.

- f. One hundred sixty seven thousand seven hundred seventeen dollars (\$167,717) appropriated for Area Technical Colleges from the General Fund is suspended and not available for expenditure.
4. Department of Human Services (CDHS)
  - a. Two hundred one thousand eight hundred forty three dollars (\$201,843) appropriated for Mental Health Institute at Fort Logan Personal Services from the General Fund is suspended and not available for expenditure.
  - b. One million five hundred seven thousand five hundred twelve dollars (\$1,507,512) appropriated for Mental Health Institute at Pueblo Personal Services from the General Fund is suspended and not available for expenditure.
5. Department of Information Technology (OIT)
  - a. One hundred thousand one hundred twenty one dollars (\$100,121) reappropriated for Enterprise Solutions from the Department of Local Affairs is suspended and not available for expenditure.
6. Department of Local Affairs (DOLA)
  - a. One hundred thousand one hundred twenty one dollars (\$100,121) appropriated for payments to the Office of Information Technology from the General Fund is suspended and not available for expenditure.
7. Department of Public Health & Environment (CDPHE)
  - a. Two million dollars (\$2,000,000) appropriated for Health Disparities Grants from the General Fund is suspended and not available for expenditure.
  - b. Three million dollars (\$3,000,000) appropriated for Distributions to Local Public Health Agencies from the General Fund is suspended and not available for expenditure.
8. Department of Revenue (DOR)
  - a. Two hundred fifty thousand dollars (\$250,000) appropriated for Executive Director's Office Administration and Support Personal

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Services from the General Fund is suspended and not available for expenditure.

- b. One hundred twenty five thousand dollars (\$125,000) appropriated for Executive Director's Office Administration and Support Operating Expenses from the General Fund is suspended and not available for expenditure.
- c. One hundred twenty five thousand dollars (\$125,000) appropriated for Executive Director's Office Administration and Support Leased Space from the General Fund is suspended and not available for expenditure.
- d. One hundred thirty seven thousand five hundred dollars (\$137,500) appropriated for Division of Motor Vehicles Driver Services Operating Expenses from the General Fund is suspended and not available for expenditure.

D. I direct the Office of the State Controller, within the Department of Personnel and Administration, to restrict the appropriations identified in Section II(C) in the State's accounting system to ensure the balances revert to the General Fund.

**III. Duration**

This Executive Order shall take effect on September 1, 2025, and shall expire on November 30, 2025, unless modified or rescinded by future Executive Order.



GIVEN under my hand and the Executive Seal of the State of Colorado this twenty-eighth day of August, 2025.

A handwritten signature in black ink, which appears to read "Jared Polis".

Jared Polis  
Governor