



D 2025 020

EXECUTIVE ORDER

Amending Executive Order D 2025 014 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 amending Executive Order D 2025 014 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

As stated in Executive Order D 2025 014, 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 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 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 Executive Order D 2025 014, I suspended, in whole or in part, the functions and services of State government as detailed in Executive Order D 2025 014 and below to reduce expenditures before the end of Fiscal Year 2025-26.

This Executive Order amends Executive Order D 2025 014 based on updated information regarding the budget. These amendments change the amounts of the Department of Higher Education’s (DHE) Regents of University of Colorado line, and Colorado Department of Public Health and Environment’s (CDPHE) health disparities grant and community impact cash fund. The amendments also provide additional Department of Health Care Policy and Financing (HCPF) savings.

Accompanying Executive Order D 2025 014 was a letter notifying the Joint Budget Committee, as well as the General Assembly, of the Executive Order and outlining the suspensions, in whole or in part, of certain State programs and services in the Executive Order. Due to the amendments below, the amounts outlined in the letter accompanying Executive Order D 2025 014 have also changed. Accompanying this amended Executive Order is a letter notifying the Joint Budget Committee, as well as the General Assembly, of the amended Executive Order and the updated amounts, which satisfies the notice requirement in C.R.S. § 24-75-201.5. This letter outlines \$147,874,358 in cash fund transfers to the General Fund and \$3,000,000 in additional savings from the State’s hiring freeze 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 \$150,874,358 in budget reductions for Fiscal Year 2025-26,

which, with the reductions below and the State's hiring freeze, brings the total savings to \$265,694,749.

II. Amendments

Section II(C) of Executive Order D 2025 014 is amended to adjust the total amount suspended from \$102,993,375 to \$115,320,391, resulting in a corresponding change in the total amount of the savings from \$102,493,375 to \$114,820,391. Section II(C) of Executive Order D 2025 014 is amended to read as follows:

The following programs and services, totaling \$115,320,391 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 is \$114,820,391.

Section II(C)(2)(a) of Executive Order D 2025 014 is amended to adjust the amount that is suspended for HCPF Medical Services Premiums from the General Fund from \$54,940,856 to \$65,225,930. Section II(C)(2)(a) of Executive Order D 2025 014 is amended to read as follows:

Sixty five million two hundred twenty five thousand nine hundred thirty dollars (\$65,225,930) appropriated for Medical Services Premiums from the General Fund is suspended and not available for expenditure.

Section II(C)(2)(e) of Executive Order D 2025 014 is amended to adjust the amount that is suspended for HCPF Children's Extensive Support Services from \$3,000,000 to \$5,794,653. Section II(C)(2)(e) of Executive Order D 2025 014 is amended to read as follows:

Five million seven hundred ninety four thousand six hundred fifty three dollars (\$5,794,653) appropriated for Children's Extensive Support Services from the General Fund is suspended and not available for expenditure.

Section II(C)(2)(h) of Executive Order D 2025 014 is amended to adjust the amount that is suspended for HCPF Health Benefits for Children Lacking Access Due to Immigration Status from the General Fund from \$131,250 to \$206,250. Section II(C)(2)(h) of Executive Order D 2025 014 is amended to read as follows:

Two hundred six thousand two hundred fifty dollars (\$206,250) appropriated for Health Benefits for Children Lacking Access Due to Immigration Status from the General Fund is suspended and not available for expenditure.

Section II(C)(2) of Executive Order D 2025 014 is amended to add the following two new subsections:

i. Five hundred thousand dollars (\$500,000) appropriated for the Senior Dental Program from the General Fund is suspended and not available for expenditure.

j. Forty thousand nine hundred fifty dollars (\$40,950) appropriated for IT Contracts & Projects, MMIS Maintenance and Projects from the General Fund is suspended and not available for expenditure.

Section II(C)(3)(c) of Executive Order D 2025 014 is amended to adjust the amount suspended for Department of Higher Education's (DHE) Regents of University of Colorado limited purpose fee-for-service contracts with state institutions from \$3,220,188 to \$3,013,900.

Section II(C)(3)(c) of Executive Order D 2025 014 is amended to read as follows:

Three million thirteen thousand nine hundred dollars (\$3,013,900) appropriated for limited purpose fee-for-service contracts with state institutions from the General Fund is suspended and not available for expenditure.

Section II(C)(7)(a) of Executive Order D 2025 014 is amended to adjust the amount suspended for CDPHE Health Disparities Grants from \$2,000,000 to \$837,627. Section II(C)(7)(a) of Executive Order D 2025 014 is amended to read as follows:

Eight hundred thirty seven thousand six hundred twenty seven dollars (\$837,627) appropriated for Health Disparities Grants from the General Fund is suspended and not available for expenditure.

III. Duration

This Executive Order shall expire on November 30, 2025, unless modified or rescinded by future Executive Order. In all other respects, Executive Order D 2025 014 shall remain in full force and effect as originally promulgated.



GIVEN under my hand and the
Executive Seal of the State of
Colorado this thirty-first
day of October, 2025.

A handwritten signature in blue ink that reads "Jared Polis". The signature is written in a cursive, flowing style.

Jared Polis
Governor