



## D 2025 022

### EXECUTIVE ORDER

#### **Extending Executive Orders D 2025 014 and D 2025 020 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 extending Executive Orders D 2025 014 and D 2025 020. These Executive Orders declared that there are insufficient revenues available for expenditures due to President Trump signing H.R. 1 into law on July 4, 2025, and ordered 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. It is necessary to continue this declaration.

#### **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 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. During the Special Session, the General Assembly passed Senate Bill 25B-001, Processes to Reduce Spending During Shortfall (SB 25B-001). SB 25B-001, which I signed, 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, in Executive Order D 2025 014, 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. Executive Order D 2025 014 suspended specific programs and services, in whole or in part, implemented by the Department of Corrections (DOC), Department of Health Care Policy & Financing (HCPF), Department of Higher Education (CDHE), Department of Human Services (CDHS), Office of Information Technology (OIT), Department of Local Affairs (DOLA), Department of Public Health & Environment (CDPHE), and Department of Revenue (DOR).

Executive Order D 2025 020 amended Executive Order D 2025 014 based on updated information regarding the budget. These amendments changed the amounts of the CDHE's Regents of University of Colorado line and CDPHE's health disparities grant and community impact cash fund. The amendments also provided additional HCPF savings.

I have determined that the deficiency of revenues declared in Executive Orders D 2025 014 and D 2025 020 persists, as required by C.R.S. § 24-75-201.5(1)(c). By this Executive Order, I am extending the suspension, in whole or in part, of the functions and services of State government detailed in Executive Orders D 2025 014 and D 2025 020 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, which satisfies the notice requirement in C.R.S. § 24-75-201.5(1)(b)(I).

**II. Duration**

This Executive Order, extending Executive Orders D 2025 014 and D 2025 020, shall take effect on December 1, 2025, and shall expire on February 28, 2026, unless modified or rescinded by future Executive Order.



GIVEN under my hand and the  
Executive Seal of the State of  
Colorado this thirtieth  
day of November, 2025.

A handwritten signature in blue ink that reads "Jared Polis".

Jared Polis  
Governor