



The Colorado Budget Then and Now

December 2025 Annual Release

Ninth Annual Release: The Colorado Budget Then and Now

Colorado Budget Then and Now illuminates the changes in Colorado state budget appropriations over the last twenty years.

The following figures provide an overview of revenue allocated to state departments through the legislative budgeting process. The trends in appropriations reflect the shifting priorities brought on as a direct result of the laws and budgets passed each legislative session.



Common Sense Institute (CSI) is a non-profit free-enterprise think tank dedicated to the protection and promotion of Colorado's economy.

We believe sound fiscal and economic research is essential to uphold Colorado's economic vitality, future, and individual opportunity.

Methodology

The findings of this report are generated from the annual appropriations reports compiled by the Colorado Joint Budget Committee Staff. These reports draw from the state's budget packages, which are drafted by the Governor's office then revised and approved during each year's legislative session. They include appropriations to each of the state government's departments from all funds including the General Fund, Cash Funds, Federal Funds, Reappropriated Funds, and Capital Construction Funds. The report considers appropriations in FY 2024 final because the state has certified their actual values. FY 2025 appropriations are considered initial while the state works to finalize them and FY 2026 appropriations are considered budgeted because the amounts authorized by the legislature are subject to change over the course of the year. FY 2027 appropriations are from the Governor's proposal and have yet to be reviewed by the state legislature.

General Funds: General-purpose revenue is deposited into the General Fund and used for the state's core programs, such as education, health care, human services, corrections, and general government (*e.g.*, the legislature and Governor's office). General Fund revenue is the only major state revenue source available to fund capital construction projects which is further appropriated from the GF.

Cash Funds are special-purpose funds that exist outside of the General Fund. They are funded by taxes, user fees, and fines earmarked for specific purposes and programs. Other large categories of cash fund revenue include revenue to TABOR enterprises, employee pension contributions and interest income, voter-approved revenue, property sales, damage awards, and gifts.

Federal Funds are moneys received from the federal government to support specific purposes and programs. For some programs, such as Medicaid, state funding is matched with federal funding.

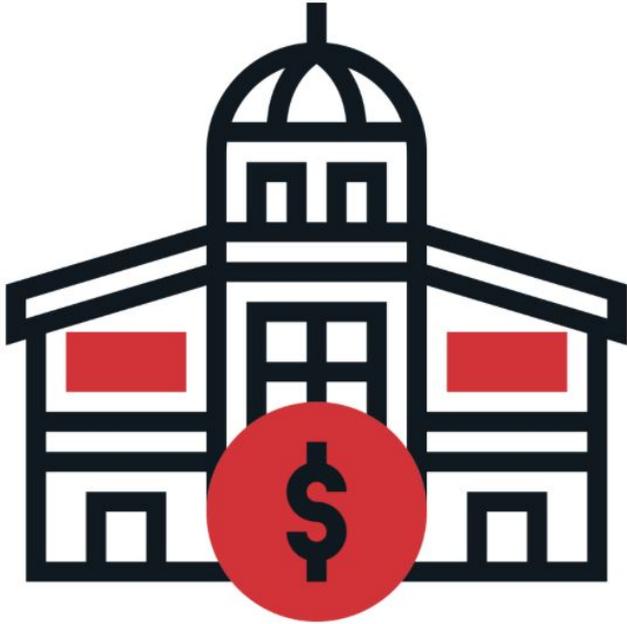
Reappropriated Funds are transfers of money between departments apart from initial appropriations. To avoid double-counting, reappropriated funds are not included in this report's all-agency totals. Individual departments' totals include reappropriated funds so as to best represent the relative size of each department. Capital Construction Funds are excluded from totals specified as "operating appropriations." Fund transfers and other obligations are not included in totals except where noted.

Key Findings

- **Government spending has outpaced inflation and population growth in recent years** - adjusted for inflation, total state government appropriations per Coloradan increased by **31% from FY06 to FY26, growing from \$5,580 to \$7,308.**
- **Health care has dominated budget growth in recent years while education's share has declined** -
 - In the Governor's FY27 budget request, **growth in the Department of Health Care Policy and Financing (HCPF) funding accounts for 81% of the total net increase in all appropriations.** It accounts for 70% of GF growth between FY26 and FY27.
 - In the last 20 years (FY06–FY26), the HCPF budget increased by 459% from \$3.23 billion to \$18.2 billion and its share of the total budget rose from 21% to 44%.
 - **Over this same time, education funding increased just 106%, while its share of the budget fell from 24% to 17%.**
- Current projections show that Coloradans will receive TABOR refunds stemming from excess revenue in FY25, FY27 and FY28. Revenue in FY26 is estimated to be \$215 million below the TABOR spending limit. The largest projected refund among these years is FY28, with nearly \$1 billion in excess revenue to be refunded.
 - **Cumulatively, the state projects \$1.97 billion to be available for refunds in FY25, FY27, and FY28.**

*Total state government appropriations **per Coloradan** increased by 31% from FY06 to FY26, growing from \$5,580 to \$7,308.*

Annual Appropriations How Much Money Does the Colorado State Government Appropriate?

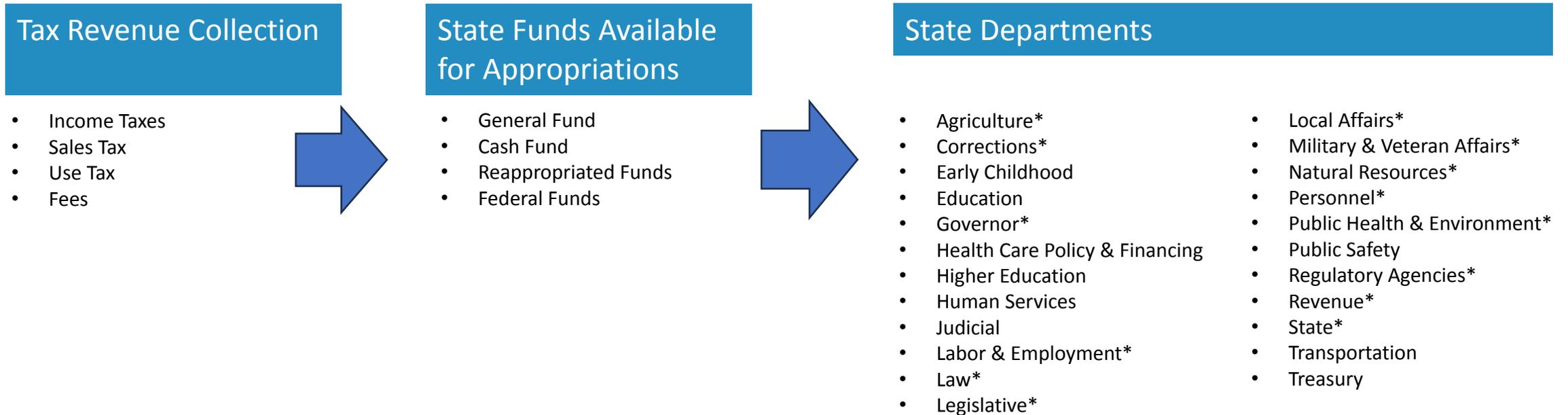


Fiscal Year 2026 Appropriations
\$44,029,604,426

Each year, the state legislature approves a budget that dictates how public tax revenue will be allocated to the different government departments. The current budget cycle, fiscal year 2026, runs from July 1, 2025, through June 31, 2026. As of November 2025, the total initial appropriation for FY 2026, inclusive of operating appropriations minus reappropriations plus capital construction appropriations, is \$44,029,604,426.

State Government Appropriations

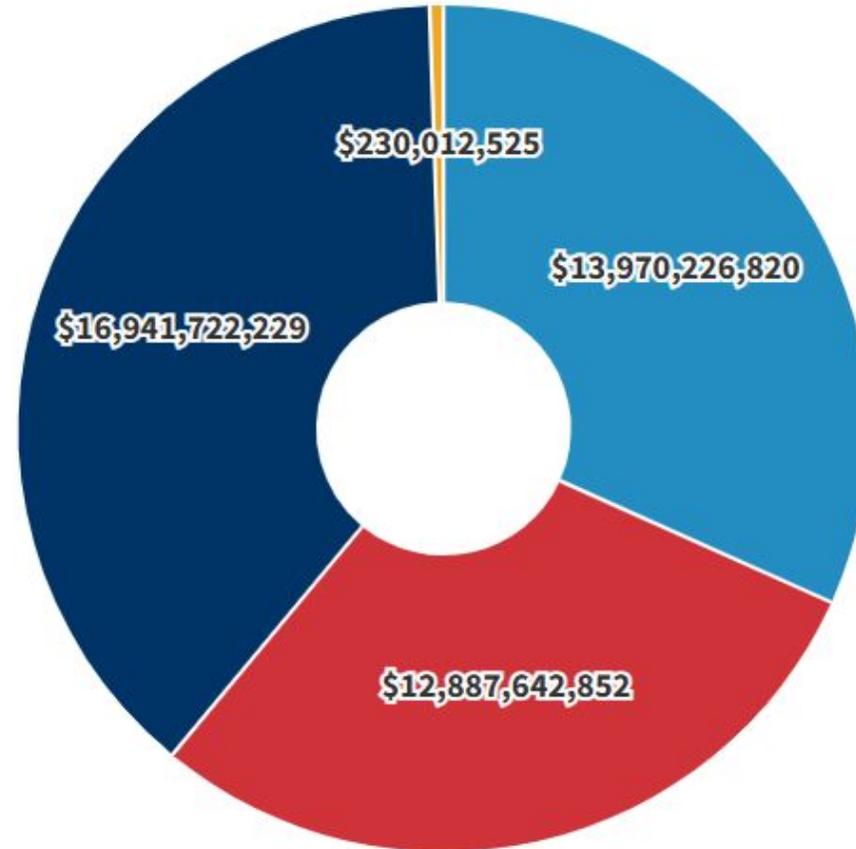
Flow of Tax Revenue from the Taxable Source to State Departments



The image above illustrates the flow of state appropriations from tax revenue sources to the state departments that the legislature authorizes to spend state revenue. There are many different state agencies within each department, but, for the purpose of this report, appropriations are only shown by fund types or departments. **For formatting purposes, state department labeled with asterisks are combined in several of the following figures into a single category called "Other Departments."** Combined, these other departments represent about 12% of total appropriations.

Colorado Total Appropriations by Fund Type in FY26

Federal Funds Cash Funds General Funds Capital Construction Funds



Total appropriations in FY26 is \$44,029,604,426. General fund appropriations are 38.5%, federal funds constitute 31.7%, cash funds constitute 29.3%, and capital construction funds make up 0.5% of the total.

Colorado Revenue Above and Below the TABOR Cap - FY25-FY28 – Units in Millions

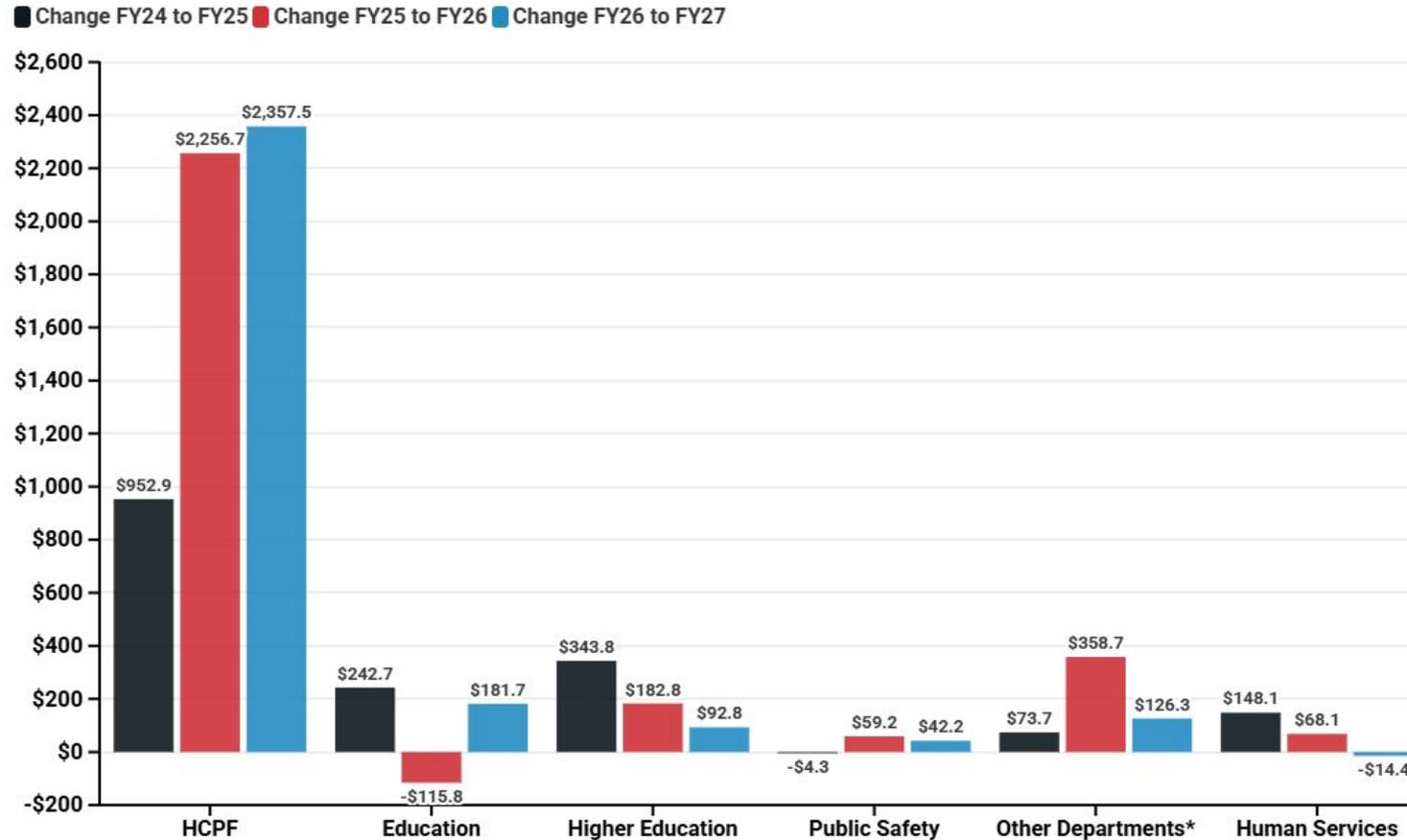
- State Tax Revenue Under the TABOR(Ref C) Spending Limit Available for State Budget
- State Tax Revenue in Excess of the TABOR(Ref C) Spending Limit Available for Refunding to Taxpayers



Source: September 2025 Legislative Council Economic Forecast

Coloradans are projected to receive TABOR refunds of varying sizes in three of the four fiscal years currently captured in the most recent Sept. 2025 Legislative Council Forecast. Over the four budgets from FY25 to FY28, there is an estimated \$1,967,700,000 in TABOR surplus available for to be refunded. Colorado's latest forecast projects that revenue subject to TABOR for FY2025–26 will be \$19,767 million which is \$215 million below the TABOR spending limit.

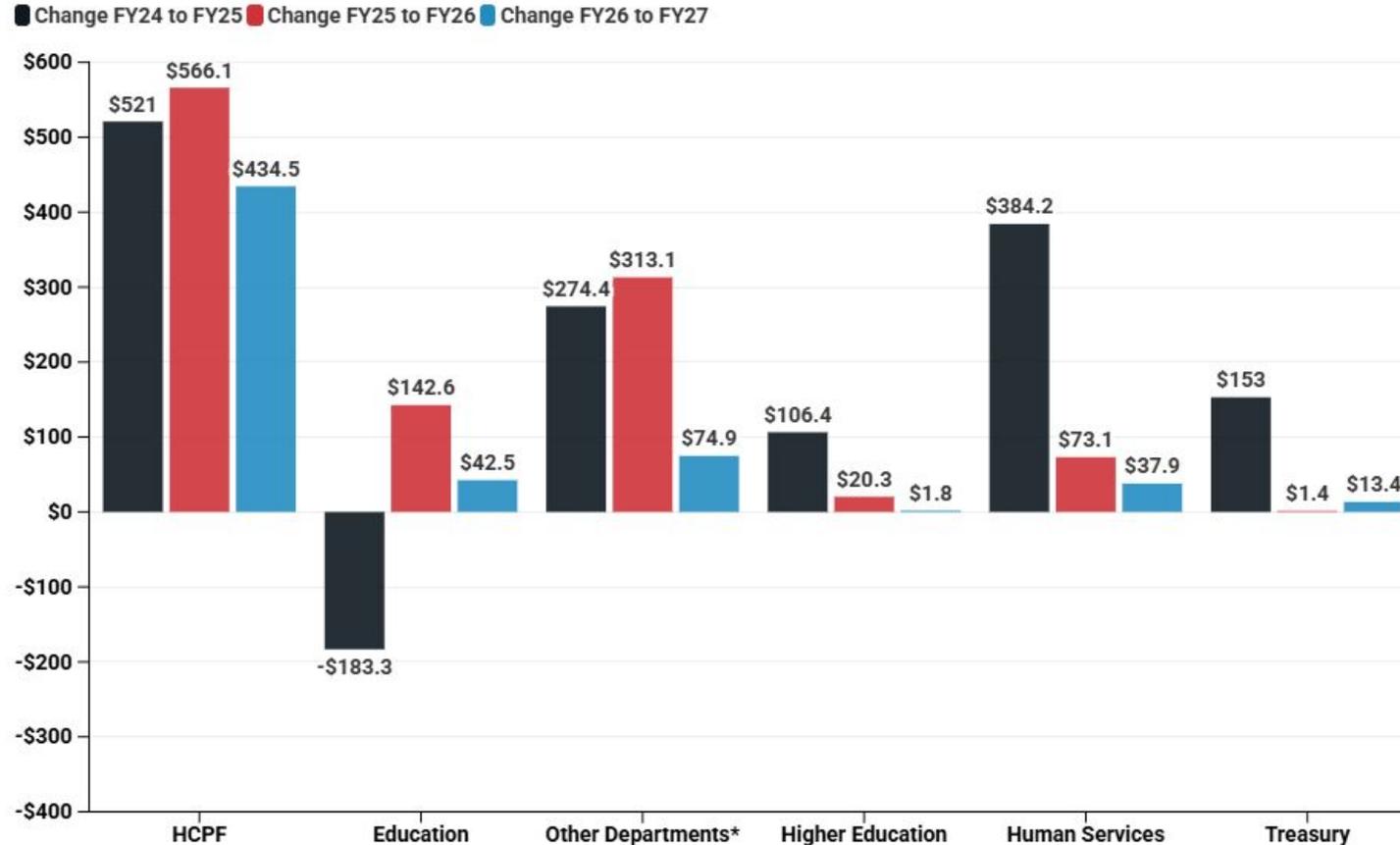
Annual Change in Operating Appropriations by Department From FY24 to the FY27 Governor's Budget Proposal – Units in Millions



Source: Colorado JBC Annual Appropriations Report Note: Data omit capital construction

Colorado's Department of Healthcare Policy and Financing (HCPF) continues to dominate the state budget. Between FY26 and FY27, the subtotal of department operating requests will increase by a total of \$2.9 billion, with HCPF accounting for \$2.35 billion, or 81%, of this total increase. The strain caused by this rapid increase in HCPF's budget is reflected in lower or negative change in appropriations for other departments. Colorado's Department of Higher Education has now seen its year-over-year budget grow by smaller amounts over each of the last three fiscal years.

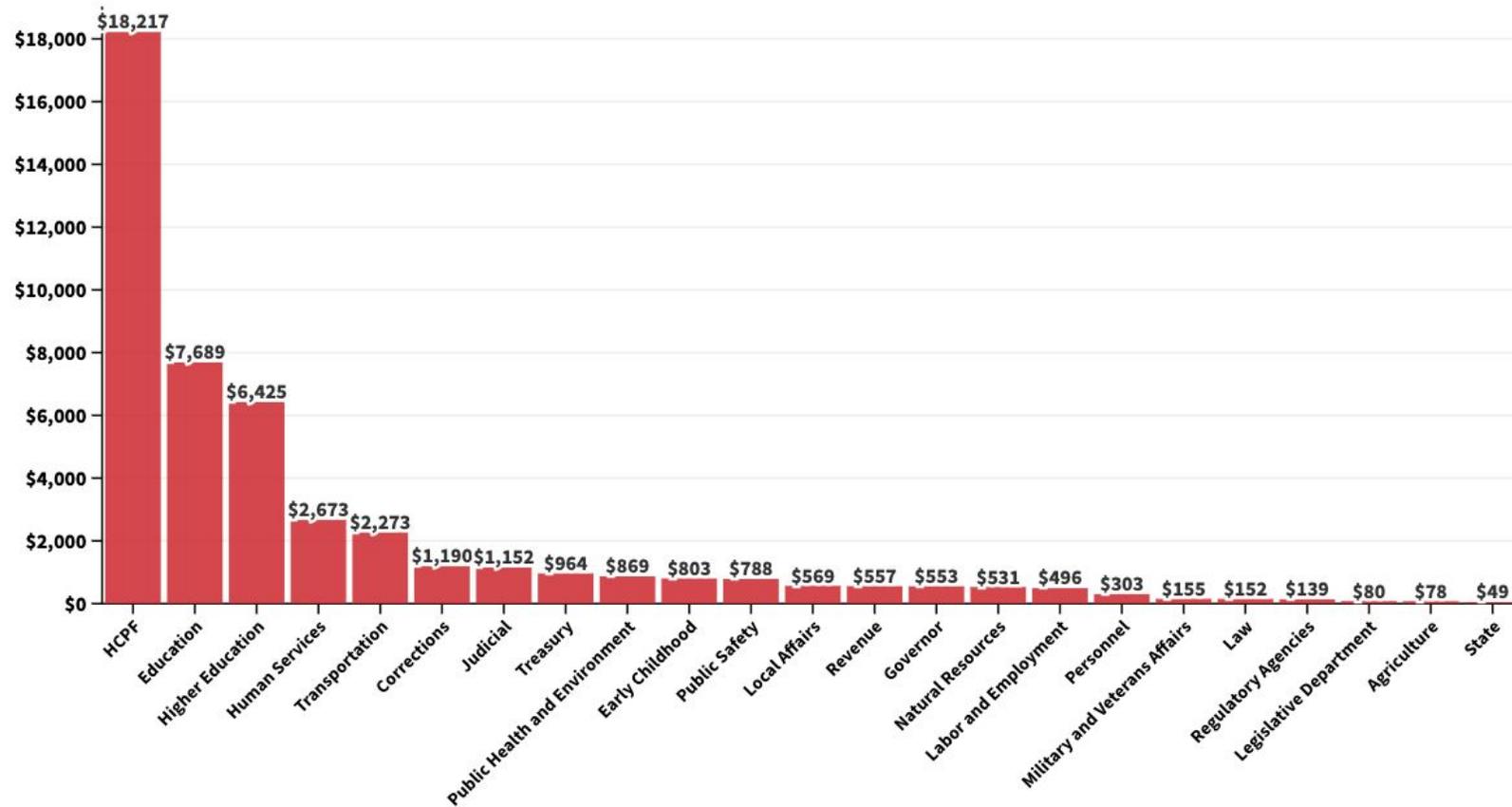
Annual Change in General Fund Appropriations by Department From FY24 to the FY27 Governor's Budget Proposal – Units in Millions



Source: Colorado JBC Annual Appropriations Report Note: Data omit capital construction

From FY24 to FY27, the General Fund total operating appropriations is expected to grow by 24% from \$14.2 billion to \$17.6 billion. The Governor's FY27 budget request accounts for \$622 million or 18.3% of this increase. HCPF will receive an additional \$435 million from the FY27 proposed budget, which is the largest departmental share of this increase (equal to 70% of its total).

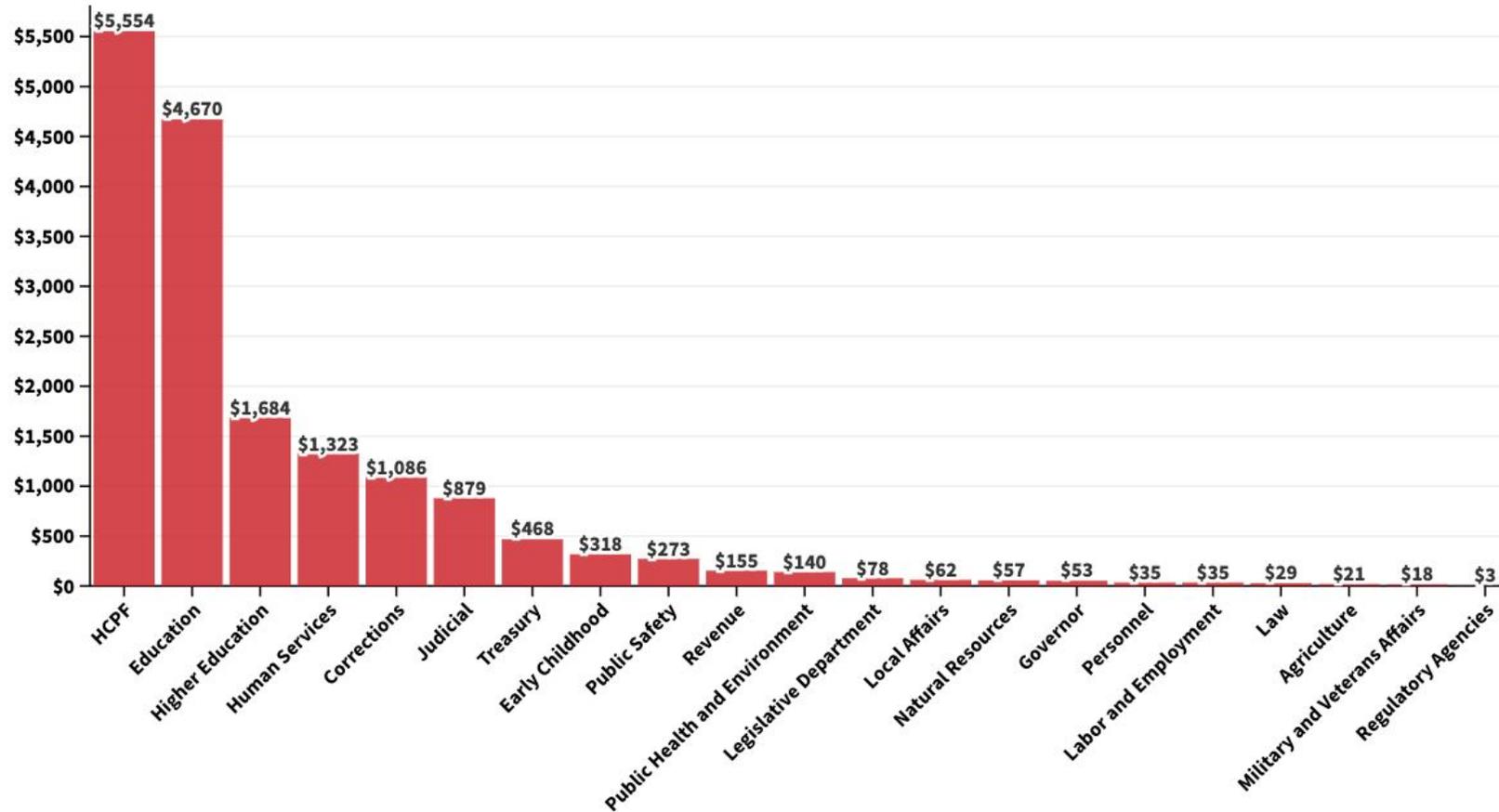
Total Appropriation to Each Department in FY26 – Units in Millions



Source: Colorado JBC Annual Appropriations Report

The top five departments, HCPF, Education, Higher Education, Human Services, and Transportation, were appropriated 79.8% of the total budget in FY26. Seven departments, including Military & Veteran Affairs and Agriculture, each received less than 1% each of the total appropriation. Under the Governor's FY27 budget request, these top five departments would receive about 80.4% of the total appropriation.

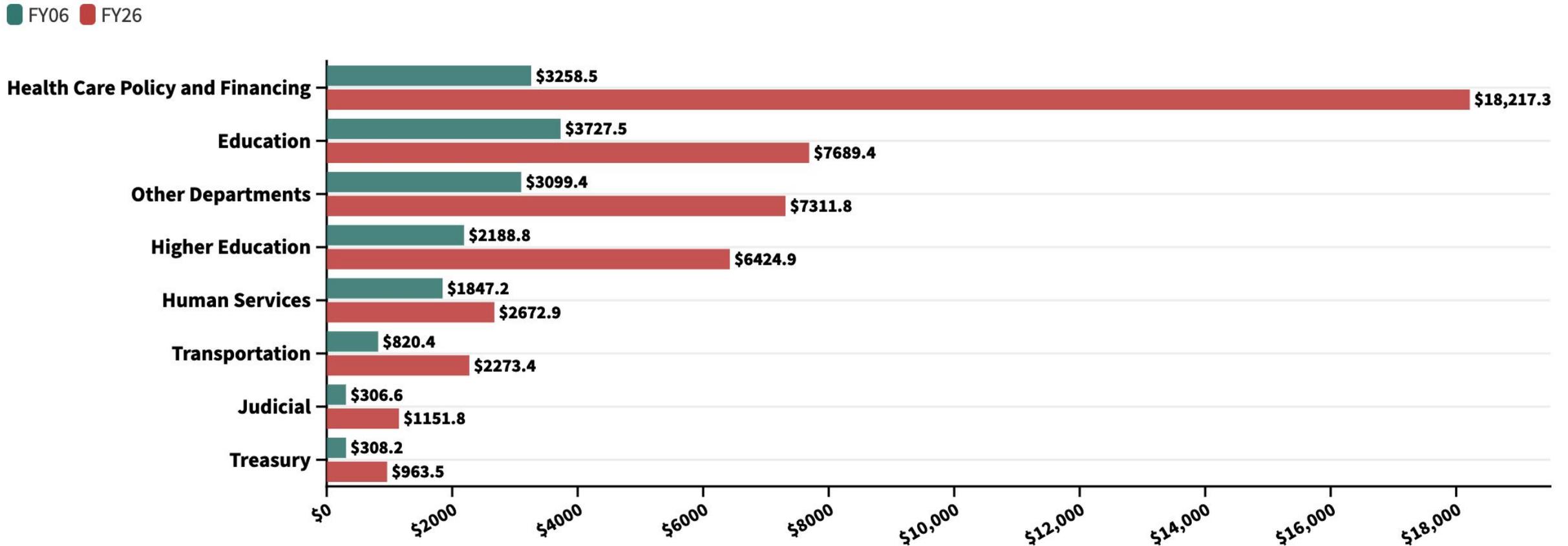
General Fund Appropriation to Each Department in FY26 – Units in Millions



Source: Colorado JBC Annual Appropriations Report

The departments of HCPF, Education, Higher Education, Corrections, and Human Services together received 84.5% of General Fund appropriations in FY26. Money is often transferred from the General Fund to the Highway Trust Fund to be used for transportation projects, but such transfers are not counted as appropriations.

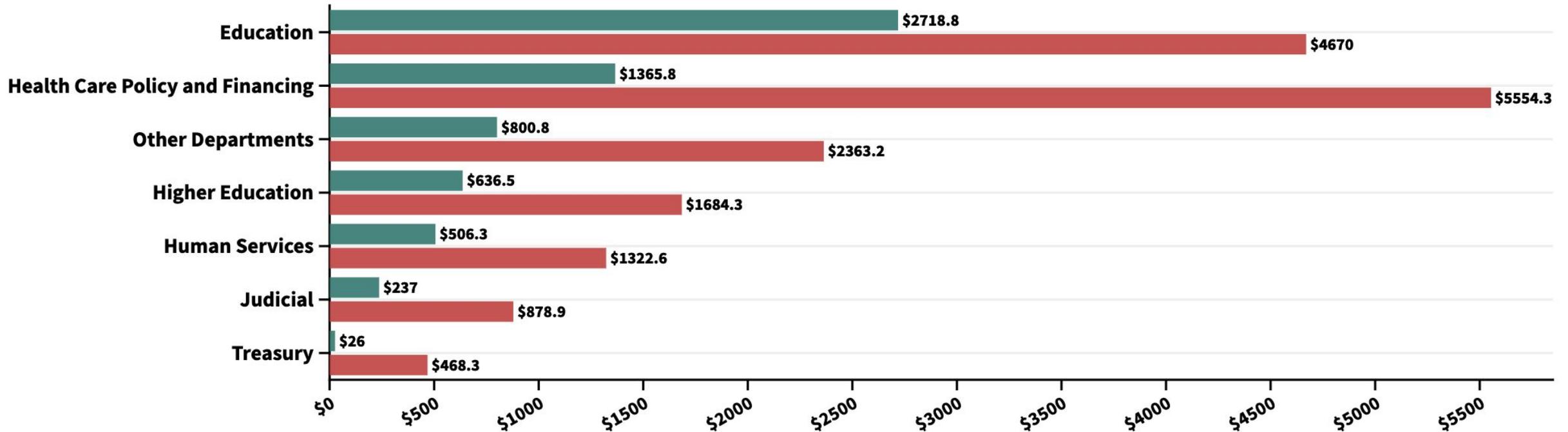
Total Appropriations by Department in FY06 and FY26 – Units in Millions



In the last 20 years, the Department of Health Care Policy and Financing's total appropriation has increased by 459% from \$3 billion to over \$18 billion. The next-two largest departments, Education and Higher Education, have seen their appropriations rise 106% and 194% respectively over this time.

General Fund Appropriations by Department in FY06 and FY26 – Units in Millions

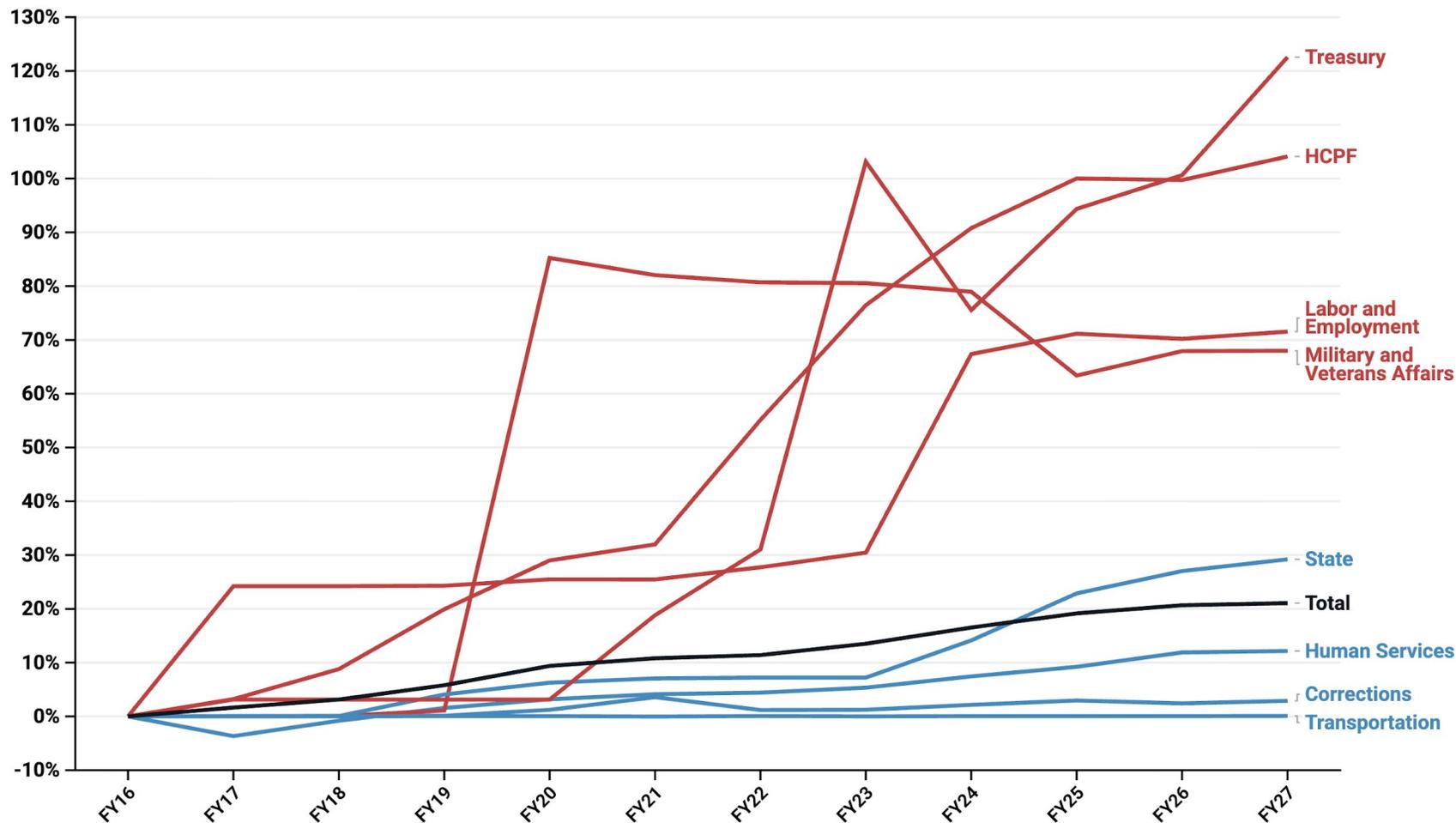
FY06 FY26



Source: Colorado JBC Annual Appropriations Report

Although General Fund appropriations increased for all departments between FY06 and FY26, some agencies' shares of the total budget decreased even while their appropriations increased. General Fund appropriations to the Department of Education and HCPF grew by 72% and 307% between FY06 and FY26, respectively. Because of this disparity, HCPF's share of General Fund appropriations grew from 22% to 33% while Education's shrank from 43% to 28%.

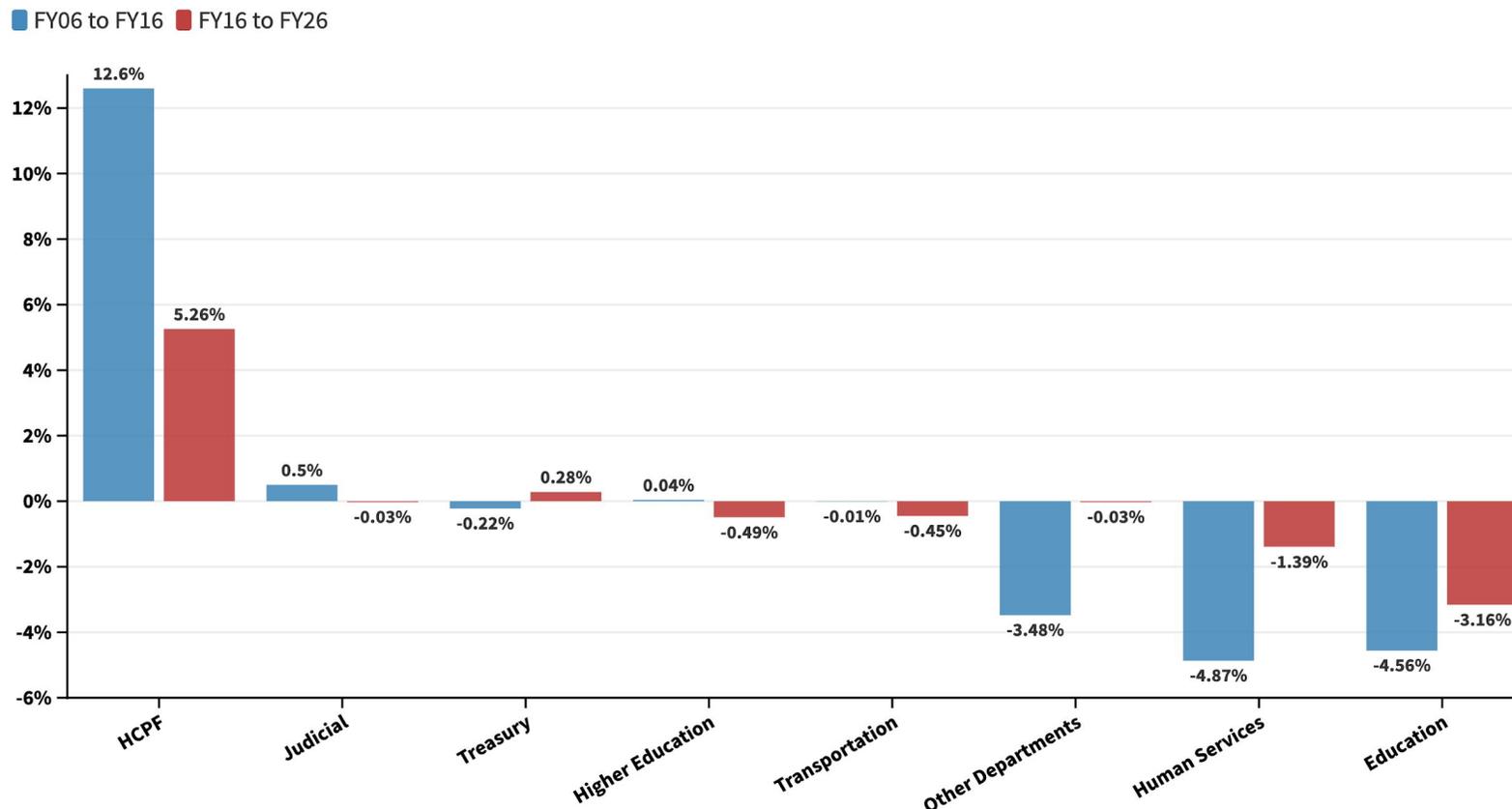
Colorado Full Time Employment(FTE) Growth by Department - Top and Bottom Four



Over the last 10 years, state-government FTE has grown from 55,700 to 67,275—a 21.1% increase. The number of Treasury Department FTE has grown the fastest (123% since FY16). Employment in the Department of Transportation has remained almost completely static; the department added zero new FTE in both FY26 & FY27.

The Differences in the Share of Colorado's Total Appropriations

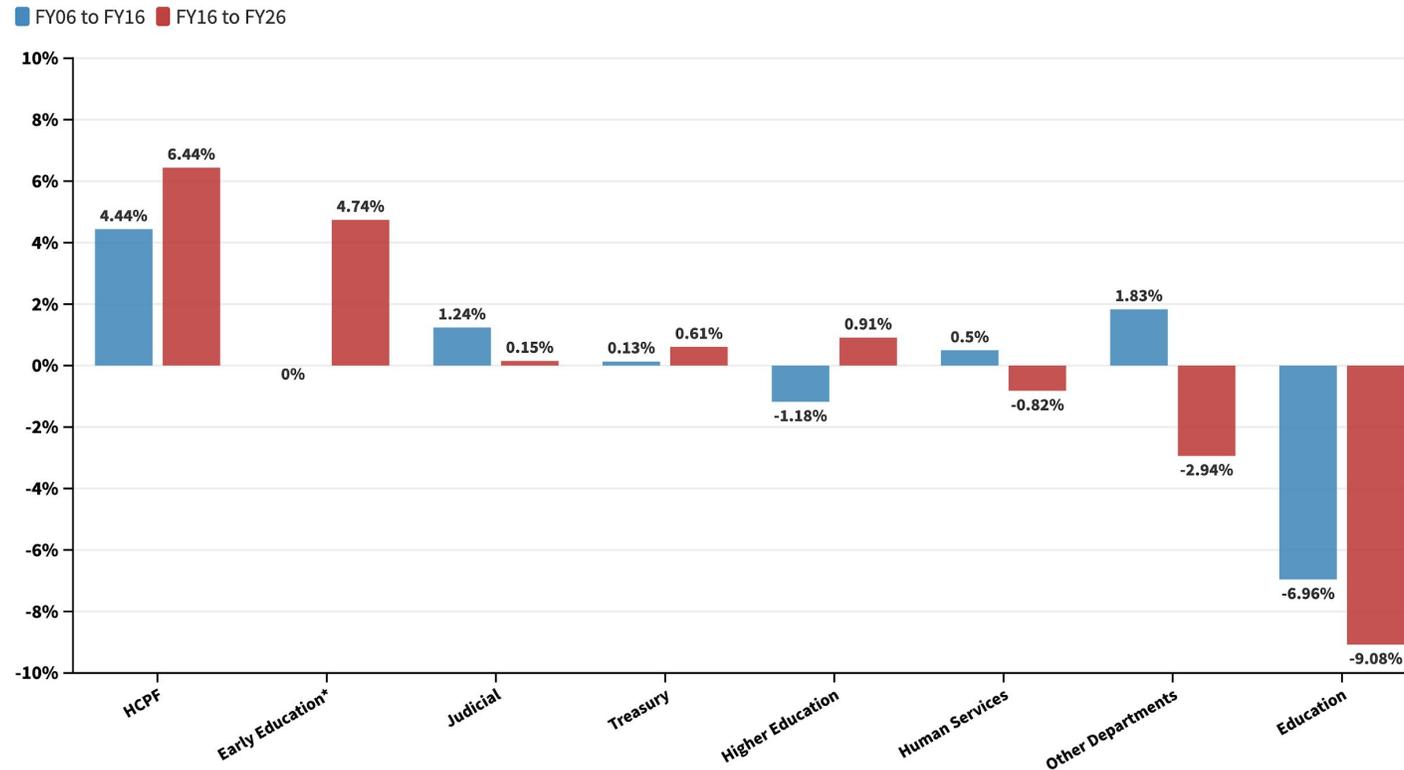
Values are differences in dollars as percentage changes from FY06 through FY16 and FY16 through FY26. A positive value indicates that the share increased over this period and a negative value indicates a declining share.



From FY16 to FY26, HCPF and the Treasury Department were the only major departments to increase their shares of total appropriations. Between FY06 and FY26, the HCPF share of total appropriations grew by 17.9 percentage points; during that same period, the Education share decreased by 7.7 percentage points.

The Differences in the Share of Colorado's General Fund Appropriations

Values are differences in dollars as percentage changes from FY06 through FY16 and FY16 through FY26. A positive value indicates that the share increased over this period and a negative value indicates a declining share.



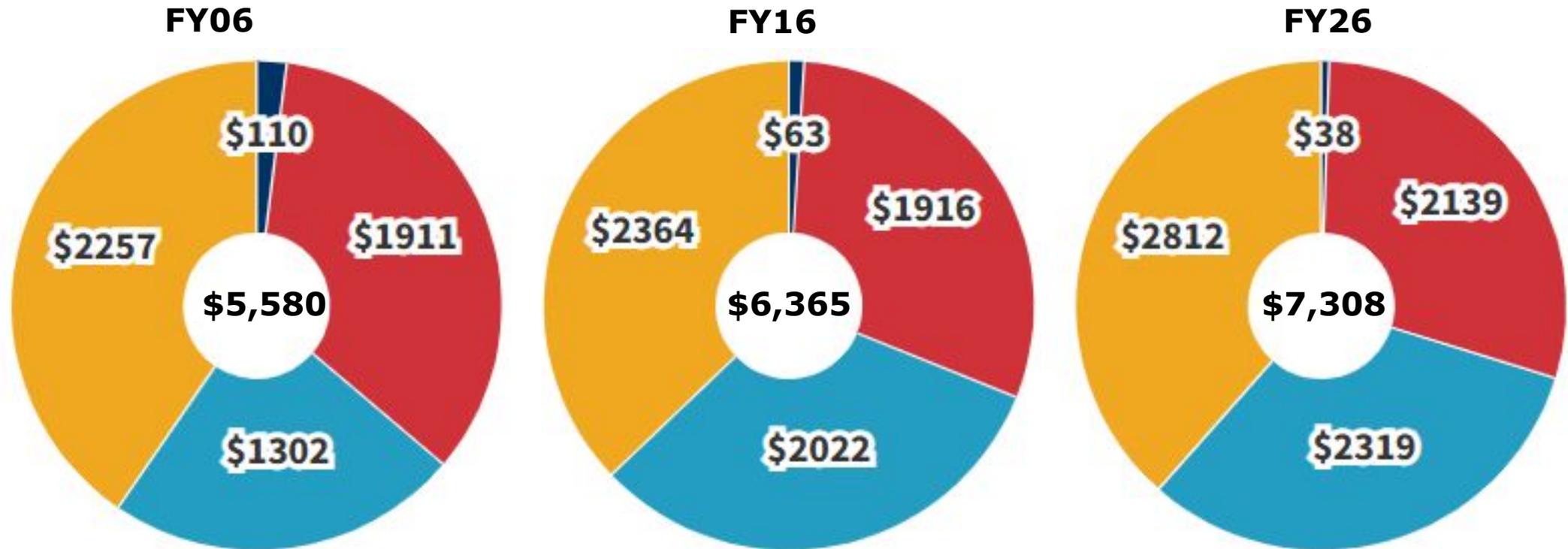
*Department established in 2022

As a share of total General Fund appropriations, the Colorado Department of Education lost a cumulative 16.04 percentage points between FY06 and FY26, the largest loss of any department. By contrast, the HCPF share grew by 10.88 points over this same period. Colorado established the Department of Early Childhood in July of 2022, which now accounts for 4.74% of all General Fund appropriations.

Total State Appropriations per Coloradan

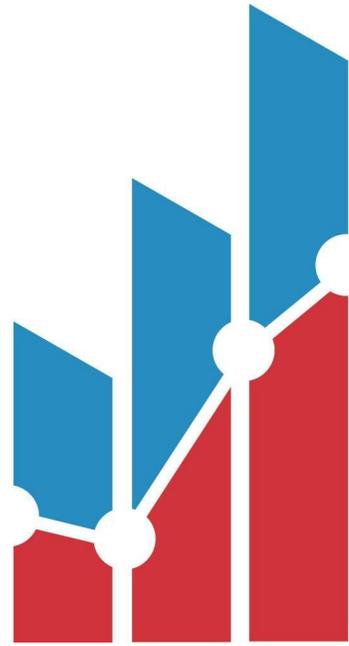
Appropriations are adjusted for population and inflation

Federal Funds Cash Funds General Funds Capital Construction Funds



Source: Colorado JBC Annual Appropriations Report

Adjusted for inflation and population growth, total state government appropriations per Coloradan increased by 31% from FY06 to FY26 and by 15% between FY15 and FY25. Population estimates come from the Colorado State Demography Office and inflation is derived from the Denver MSA Consumer Price Index published by Bureau of Labor Statistics.



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