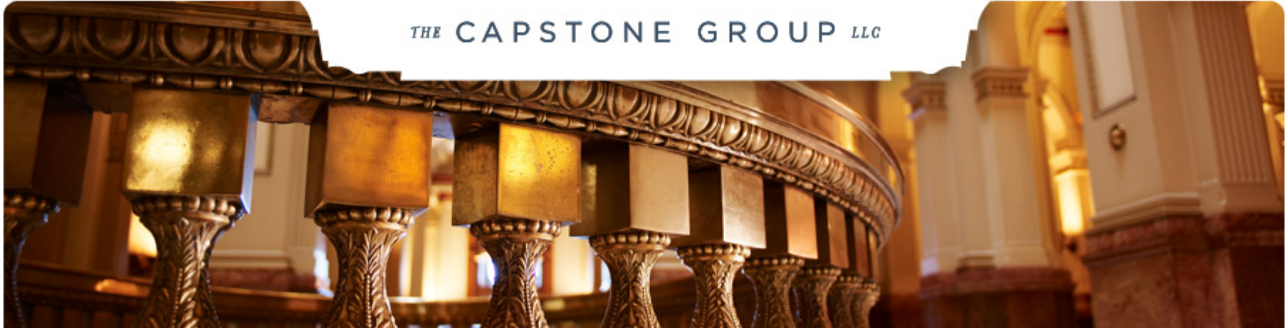

2026 Under the Dome - Week 2

Colorado's General Assembly resumed business on Tuesday morning, after Monday's closure in recognition of Martin Luther King Jr Day. The week was filled with SMART Act hearings with state agencies in committees of reference, and Joint Budget Committee meetings with committees of reference and votes on supplemental adjustments to the FY 25-26 budget.

On Wednesday, Governor Polis and Democratic legislators held a press conference to announce legislation aimed at bringing down the cost of housing. These bills would streamline the process for non-profits, schools and transit districts to build housing on their land (HB 1001 Housing Developments on Qualifying Properties), fund transit infrastructure improvements and transit-oriented housing (HB 1065 Transit/Housing Investment Zones), and expand tax exemptions to include non-profit housing developers that build affordable rental properties (HB 1066 Tax Exemptions Low Income Rental Property).

The Joint Budget Committee met with joint committees of reference to review budget items in their issue areas of jurisdiction and voted on supplemental budget adjustments submitted by Governor Jared Polis. The Department of Health Care Policy and Financing was back on the hot seat for a second day including discussion of the CHASE fee and Rural Transformation Fund, and healthcare issues and proposed budget reductions were also a focus of the House Health and Human Services Committee.

Facing a significant budget hole, the JBC heard a presentation on the factors contributing to the structural shortfall. Nonpartisan staffers told lawmakers that the way they spent billions of dollars in one-time federal funds given to the state during the COVID pandemic contributed to the shortfall.

The JBC rejected a request from the Department of Corrections to provide funds for additional prison beds and debated whether a vote to reject the Governor's reductions to higher education that were implemented through Executive Order would restore funding to higher education institutions, since higher education is an enterprise. Staff indicated that the funds were cut through Executive Order in the fall and it seems unlikely the JBC can compel that the approximately $9.5 million can be restored. The committee tabled the vote until they could receive an opinion about the Governor’s authority in this instance from Legal Services.

In his October 31 budget submission, Governor Polis included a proposal to privatize Pinnacol Assurance, the state’s workers compensation insurer of last resort to generate $400 million for the state’s general fund. Education-minded business leaders recently submitted a ballot measure that would instead allow for full privatization of Pinnacol and earmark $150 million upfront plus $10 million per year for workforce training programs including apprenticeships.

Only 5 bills were introduced this week - 1 in the Senate and 4 in the House - and thus we expect many dozens more to come across the desk in the week ahead.

On a final fun note, our very own Jeannie Vanderburg was "crowned" with the honor of The Colorado Chamber of Commerce's Lobbyist of the Year last week. The Colorado Chamber selects a "queen" and a "king" of the lobby each year and Jeannie and Daniel Furman received the honors at the Legislative Kick-off Event. Jeannie was recognized for her tireless work ethic, persistence, and grace in navigating big and small issues alike. We couldn't agree more, and we're excited that Jeannie's hard work has been honored in such a big way.

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