

# CASB BRIEF - August 26 Vol. 46



## Advocacy Newsletter

### Extraordinary Session

The Colorado General Assembly came back to work on Thursday August 21, 2025, for what is known as an **Extraordinary Session**. This is the third year in a row that Colorado lawmakers have had to return to the Capitol for a so-called Special Session. The last time the General Assembly met in special session three years in a row was all the way back in 1963 to 1965. Colorado Governor Jared Polis **called lawmakers** back to work to address a number of issues, chief among these is a \$750 million shortfall in the state's budget.

Colorado's tax policy is closely tied to the federal tax code. Colorado uses the federal taxable income to determine state income tax. Additionally, Colorado is one of four states to use what is known as "rolling conformity". This means that changes at the federal level immediately impact Colorado tax rates. When Congress approved, and **President Trump** signed into law, **H.R. 1**, the Federal tax reductions caused the state to lose anticipated tax collections. The effects on the state's budget compound the longer lawmakers wait to implement a fix, thus the need to bring them back to the Capitol in August.

So, what is the answer to solve a \$750 million budget hole? Lawmakers gave direction to Governor Polis to work with the **Joint Budget Committee (JBC)** to implement reductions to cover a portion of the shortfall. Legislators rolled back some tax credits and deductions. When lawmakers convene in January of 2026, they are also likely to tap some of the state's General Fund Reserves. It is important for CASB members to note that no reductions in PK-12 public education funding were approved during the special session. The Joint Budget Committee will get their next update on the budget in September when state economists present the quarterly revenue forecast.

Lawmakers also proposed changes to a program that potentially will impact CASB members, the Healthy School Meals for All program (HSMA). HSMA was approved by voters and funded by a tax increase for some higher income taxpayers. However, the funding was quickly outstripped by the demand for free meals at school. The General Assembly approved HB25-1274 during their regular 2025 session work. **HB25-1274** referred ballot measure **LL** and **MM** to state voters in November of 2025. The ballot questions will ask voters to allow the HSMA program to retain additional tax revenue and increase taxes on some Colorado taxpayers to provide additional funds for the program. Changes at the federal level to the **Supplemental Nutrition Assistance Program (SNAP)** included in H.R. 1 are anticipated to negatively impact Coloradoans ability to access SNAP. **SB25B-003** was approved during the Extraordinary Session to help shore up the Healthy School Meals for All program, and once that program is fully funded, to allow additional revenue to be used for the state's portion of the SNAP program. The **bill fiscal note** has a good explanation of the mechanics of how this will work. It is now up to voters to decide if they will approve these changes. If the ballot initiatives fail, it is likely the General Assembly will have to consider program reductions during the 2026 regular legislative session or force schools to come up with funding from already existing dollars.

One of the issues that took an unexpected amount of time during the special session was lawmakers attempts to change Colorado first in the nation proposed regulations on Artificial Intelligence. **SB24-205** was approved by the General Assembly and was begrudgingly signed by Governor Polis back in 2024. The Governor issued a signing... [Read the remainder of the newsletter using the link below]

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